1934's New Motor Cars

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

CANADIAN MINING NEWS DEPARTMENT ON PAGE 20

Vol. XXVIII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, JANUARY 13, 1934 | 10c a Copy; $5.00 a Year | No. 2

The Nation's Business

Rounding That Prosperity Corner
Urgent Problems Of Western Finance
Ottawa's Policy Not Made Clear
Do Loans Alone Help the West?

Turning Corners

CAUTION still permeates the utterances of those public men called upon to give their views on business conditions. Prophets have not had a particularly happy time in the last four years. Their judgment has often turned out to be wide of the mark. Having this in mind few are now willing to make definite statements, but here and there are brave souls who say that Canada has passed through the worst of the depression and that "we have turned the corner."

Experience has shown one cannot look too far ahead, but economic indices—those guide posts of business—have been steadily pointing upward. For example:

Employment is on a larger scale than a year ago.

Relief expenditures have been less.

Coal production has recorded a substantial gain.

Gold mining continues to boom.

Newsprint production is well above the low point.

Christmas and New Year's retail trade was 25 to 50 per cent ahead of last year.

Bank de[illegible] have been climbing.

Power output is establishing new all-time high records.

Nickel output in November was only exceeded in four other years during the history of the industry.

Raw cotton imports in November were the highest since January, 1928.

Woods operations are nearly 15 per cent higher than a year ago.

Lumber exports are larger than for several years past.

Steel production in the first eleven months of 1933 was 15 per cent greater than in 1932.

Pig iron output in the same period, due to recent advances, was 62.7 per cent over 1932.

Automobile production has registered a gain.

The index of industrial production in November was 30 per cent greater than in last February.

The downward trend of construction has been reversed.

These and other factors are justifiable reasons for hoping that Canada has her feet on the Road to Recovery.

* * *

Western Canada's Crisis in Finance

WESTERN Canada's financial problem is a national problem. It is the biggest Canadian conundrum outside the C. N. R. The western provinces have been unable to borrow to meet their financial needs. The Dominion government has lent over $40,000,000 to the four western provinces, by far the most to drought-stricken Saskatchewan. Whether this has really helped the west, or merely made solution of its problems more difficult, remains to be seen.

Realist observers, even some important holders of western bonds, feel that the debt burdens of the four provinces, British Columbia, Alberta, Saskatchewan and Manitoba, are too heavy for them to bear. It is perhaps too early to be definite on that point. There must be real prosperity to make these provinces entirely solvent. But we cannot wait for dollar wheat to solve the problems of western provincial finance. The emergency exists now and must be faced.

Various solutions to the western financial problem have been suggested. They include, among others, continuation of Dominion lending with close supervision of provincial finances; Dominion control through a commission; letting the provinces fight it out alone and default, if necessary; refunding of provincial debt with Dominion assistance, and further drastic cutting of provincial expenditures, which might allow withdrawal of Ottawa's aid.

* * *

POLITICAL opinion in the west opposes effective supervision or commission control. Western Canada feels that it is fully capable of running its own show, and would deeply resent interference with its political freedom. Unlike Newfoundlanders, westerners are not yet convinced that they are over-governed and over-taxed to no real purpose, and that this may be the time to take the cure. And so far

(Continued on page 2, col. 3)

Ottawa May Finance Huge Public Works By New Note Issue

Ministry Said to Favor Currency Increase Soon

BUT HOW TO BRAKE?

Once Started, Can Programme be Held Within Any Reasonable Proportions, is Problem

From Our Own Correspondent

OTTAWA.—The proposed public works programme to be financed by the issue of Dominion notes without increasing the gold support, is rapidly becoming one of the foremost issues at Ottawa and it is regarded as probable that the Bennett government may make an announcement on the matter at the forthcoming Dominion-Provincial conference.

Generally speaking, the majority of the ministry is favorable to the proposal. It was first suggested by Premier Bennett in a radio speech and since then, has attracted the ardent support of many public and semi-public bodies throughout the country.

Lower Gold Backing

Mr. Bennett's original suggestion came as a result of the decision at the London Conference that a 25 per cent gold support was adequate for purposes of domestic currency. Canada's gold support is nearly 40 per cent and if the new standard were adopted an issue of about $100,000,000 of paper money would be possible.

The reactions to Mr. Bennett's speech, however, indicate that the government will have difficulty keeping the figure down to one hundred millions. If the policy is adopted, and the chances are deemed favorable at the moment, the tendency will be to go much more wholeheartedly into this form of inflation. One prominent western politician in the provincial sphere is advocating a billion dollar public works problem. All the western provinces have enthusiastically endorsed the Bennett suggestion and several of them have already formulated works programmes running high in the millions. These programmes include many miles of new speedways for motorists, buildings, bridges, sewage disposal plants and similar works.

Would Precede Vote

Before such a programme is initiated it is believed that Federal legislation will be necessary. In fact there is no indication that the programme could be got underway before June.

If the programme is adopted, it is thought certain that a general election will take place this summer, probably in August or September.

The main reason why the proposal is favored here is that the recent upturn in business has been so marked and sustained that it is believed the application of a powerful stimulant, such as the expenditure of scores of millions, would bring the country back to normal very rapidly.

Indicators Show Marked Gains Over Year Ago

With the exception of the vegetable products group, all group indices of wholesale prices gained slightly in December over the previous month and the combined index rose 0.3 points to 69.0. Losses in grains lowered the index for the vegetable products group. November business indicators released during the past week were slightly lower than for October, on the average. Compared with November, 1932, the average was somewhat higher, however.

Commodity markets maintained the strong opening of the first week of the year in the past week. Better export demand for wheat accounted for a small rise at Winnipeg. Industrial commodities in New York either gained slightly or maintained the position of the previous week.

			Change From prev. period %	From prev. year %
Monthly		Dec., '33		
Wh'sale prices	No.	69.0	+ 0.4	+ 7.8
		Nov., '33		
Flour milled	bbls.	1,827,340	+10.7	— 6.0
Ret'l sales val.	No.	85.4	— 3.0	— 0.4
Coal output	tons	1,339,678	—13.5	+ 7.0
Coke prod	tons	174,236	+ 1.0	+21.7
Leather footwear	prs.	1,371,253	—25.8	+ 0 7
Pete. imports	gal.	91,761,448	...	+77.5
Weekly *				
Carloadings	No.	29,360	—17.5	+17.0
Cattle sales	No.	10,566	+82.7	+74.6
Hog sales	No	14,116	+23.2	+26.7

*Weeks ended Dec. 30, Jan. 4 and 4 respectively.

Dome Mines 1933 Output Best in Its Long History

Dome Mines gold production in December was $357,384, bringing the normal value of the gold produced in 1933 to $4,469,293 as compared with $4,130,318 in 1932.

The following tabulation gives production by quarters for 1933:

Dome Mines 1933 Output

Quarter Ended 1933	Tons treated	Recovery per ton $	Bullion value $
Dec. 31	....	....	1,066,990
Sept. 30	136,210	7.72	1,050,325
June 30	137,090	8.95	1,226,996
Mar. 31	138,000	8.44	1,156,295

*Exclusive of exchange compensation.

Can. Inter. Paper Output Up in '33

From Our Own Correspondent

MONTREAL.—Output of Canadian International Paper and its subsidiaries in 1933 approximated 686,000 tons of newsprint and bleached sulphite pulp, according to a statement issued by A. R. Graustein, president of the company. This compares with an aggregate production of 612,686 tons in 1932 and 775,930 tons in 1931.

At present Canadian International employees number approximately 5,000, exclusive of men employed in wood operations who number up to as many as 15,000, and average through the year perhaps 5,000.

Within recent months both production and employment have been on ascending scale—better than the average which prevailed throughout 1933.

MAY LIFT BAN BRITISH LOANS FOR DOMINION

Treasury May Allow New Issue in London This Year

AID PROVINCES

C. P. R., Western Provinces, Prices for Canadian Bonds Might Be Helped

Canadian governments or corporations may soon be allowed to borrow in London through lifting or easing of the British embargo on new capital issues by outside debtors, The Financial Post is informed. From London it is reported that there is some expectation that the Dominion may borrow early this year either for its own financing or to assist other Canadian debtors.

Removal or modification of the British ban on new loans to outsiders is expected to be announced by Neville Chamberlain, Chancellor of the Exchequer in Parliament some time soon. The significance of this to Canada is that such debtors as the western provinces and the C.P.R. might be able to borrow at reduced rates to meet maturing obligations or to refund old debts.

Almost at the same time as cable advice was received in Canada that the British capital embargo might be modified, Whaley-Eaton Service, Washington, reported

"British embargoes on new capital issues will be rescinded during January. At first, it is said, it will affect individual borrowers belonging to the sterling group only; later these restrictions will be lifted on the principle that free access to capital will further stimulate world trade revival."

At the same time, the London Investors' Chronicle stated:

"It is hoped and in fact expected that comparatively early in the New Year there will be a modification if not an entire raising of the Treasury ban on foreign issues."

Why Market Closed

The British Government closed the capital market to new issues of all kinds in 1932 in order to assist the treasury's refunding programme. Since that time the bars have been lifted to allow refunding of maturing loans, chiefly for Empire borrowers, and to allow sale of new British issues. Canada is the only new borrower of importance that has been allowed to take new funds from the market in nearly two years.

The effect that the issue restrictions have had on British underwritings is shown in the following summary by the Midland Bank:

New Capital Issues in the United Kingdom

Year	Total £
1919	237,541,000
1920	384,211,000
1921	215,795,000
1922	235,669,000
1923	203,760,000
1924	223,546,000
1925	219,897,000
1926	253,266,000
1927	314,714,000
1928	362,519,000
1929	253,749,000
1930	236,160,000
1931	88,666,000
1932	113,038,000
1933	132,869,000

The foregoing includes only new, publicly-announced issues by private and public borrowers, and excludes refundings and other debt extensions. The easing of restrictions in 1933 apparently had the effect of increasing flotations, but the total was far below that for earlier post-war years.

May Help Provinces

Lifting of the British embargo may open the way to refunding of debts of the western Canadian provinces at lower interest rates. The provinces have been anxious to do this, but have been handicapped by non-callable features in their bonds and by the fact that much of the debt is held in the United States. Also they have had no

(Continued on page 2, col. 1)

CANNERS YEAR TO SHOW GAIN IN EARNINGS

Inventory Position Soundest for Years With Bank Loans Lower

PRICES ARE UP

Distress Selling of Canned Goods Surplus Has Dried Up—Tide Definitely Turned

It would surprise nobody prominent in the canning trade if Canadian Canners earned about one million dollars in the year ended February 28, 1934, as compared with $729,017 in the immediately preceding year and $511,656 in the year ended February 28, 1932. This year's earnings may prove more like the $1,025,037 earned in the year ended February 28, 1931, but certainly will not be so much as the $1,909,633 of the bumper 14 months ended February 28, 1930. The company will not have to make large inroads on the strong investment and contingency reserve piled up in the active days before 1930 as it did in 1932 unless the next two months hold events hidden from most of us.

With one million dollars earnings the company should be able to add to surplus for the first time in four years even after taking care of a transfer of $200,000 to depreciation reserve (the size of last year's transfer) and paying the bonus of 10 cents a share added to the 5-cent quarterly dividend on the second preferred stock. It may be pointed out here that, with the 2nd preferred stock selling at 9½ on the stock market, buyers are discounting not only that the 15 cents a share paid on January 2 will in the course of time be made permanent but that the dividend may increase in the next few years to the high point of $1 a share paid in 1930. This would entail 40 cents a share being paid on the common stock which is now selling at 6½ a share in spite of the fact that annual statements have shown nothing earned since that for the year ended February 28, 1931.

Prices Are Higher

The reason for growing faith in the stock is that prices of canned goods are much higher than two years ago though still moderate, that inventories are in a sound condition and going steadily into consumption, that the situation of the industry as a whole has greatly improved, that exchange losses have stopped and that inventory losses are no longer occurring under present conditions. Second preferred and common stocks are selling at about one-third of the peak prices in 1929 but nevertheless discount earnings are as high as occurred in that period. In 1929 stock prices were discounting expected earnings much higher than $1.

Two years ago, according to reports carried in back files of Canadian Grocer, tomatoes were selling at 65 cents a dozen tins (2½'s) and today they are selling at from 85 to 95 cents f. o. b. factory. There will be plenty of tomatoes to last until the next crop but the inventories are mainly in the hands of Canadian Canners and the next largest Canadian company, Associated Quality Canners. There may still be an increase of 4 or 5 cents a dozen tins before that time but it is understood that both companies desire to keep prices at the figure which will encourage the largest consumption and still show a moderate profit.

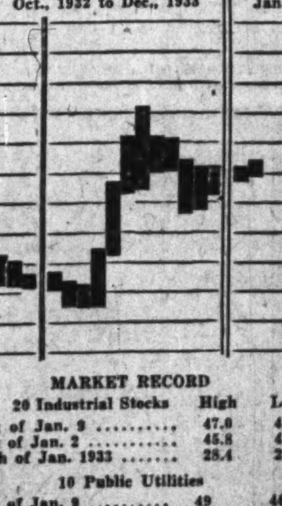
Cleaning Shelves of Peas

The pea situation was entirely changed by the fact that there was a 34 per cent reduction in pack in Ontario in 1933. As crops were a little larger in Quebec and British Columbia the reduction for all Canada is only 16 per cent but the price of peas has gone 80 per cent higher than it was at the lowest point two years ago. Then peas sold at about 65 cents a dozen tins whereas now they sell for $1.15 f. o. b. factory. The situation would

(Continued on page 2, col. 5)

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

	High	Low
20 Industrial Stocks		
Week of Jan. 9	47.0	44.7
Week of Jan. 2	45.8	43.7
Month of Jan. 1933	28.4	25.1
10 Public Utilities		
Week of Jan. 9	49	46
Week of Jan. 2	47	46
Month of Jan. 1933	47	42
8 Bank Stocks		
Week of Jan. 9	178	161
Week of Jan. 2	156	156
Month of Jan. 1933	165	160

—Drawn for The Financial Post by R. Kaell.

THEY CAN'T GROW IN THAT SHADOW

Premiers To Discuss Canada's Big Problem Financing The West

Greatest National Problem Outside C. N. R.—Agitation For Lowering Interest Rates, Relief Changes, and New Loans Make Question Prominent

LOANS TO WEST TO MAINTAIN CREDIT

Claim There Would Be No Problem But For Heavy Relief Costs and Growing Debt Charges — Suggest Constitutional Changes and Lowering Interest Rates on Bonds

Western provincial bonds and finances of the provinces are daily becoming more of a puzzle to Canadians. With premiers of all the provinces meeting this week at Ottawa, the greatest national problem of the day, outside the C. N. R., will come in for active discussion. And the recent agitation in the west for refunding debts at lower interest rates, for public works and for revision of Dominion relief policies, have placed the western financial problem squarely in the public eye.

General realization that all is not financially well in the west has been accentuated by recent news of further advances from the Dominion to British Columbia, Alberta, Saskatchewan and Manitoba. And it is expected that more loans will be requested.

The problem now is: What should be done about the Dominion's $43,000,000 of loans to the western provinces? Is there really a difficult financial situation in the west?

Two Points of View

Those who favor continuation of what is called emergency lending to the west do so on the grounds that the advances have maintained the credit of the provinces; and that this was essential to maintenance of the Dominion's credit. It is contended that there would be no western financial problem were it not for the heavy relief costs on the prairies, chiefly due to poor crops and low prices; that the provinces have cut their expenses to the bone; that the growth of debt charges makes further budget-slashing almost impossible.

On the other hand it is contended that the Dominion may undermine its own credit by continuing to make loans to the provinces; that the loans have not maintained the credit of the western areas, but have indicated financial weakness; that the west is over-governed and over-taxed, and cannot carry the load; that the western problem goes back farther than the present depression period; and that some corrective action should now be taken to really help western Canada in the interests of Canada as a whole.

Background of Situation

The background of the present situation is that the Dominion has been granting loans to the four western provinces for relief purposes since the crop failure in Saskatchewan in 1931 and to all the provinces to meet bond maturities, some of which fell due in New York at inconvenient times. Saskatchewan is by far the largest debtor, owing the Dominion nearly $21,000,000. Maturities of provincial bonds do not appear to be the pressing problem, these being of comparatively small amount. The root of the difficulty seems to lie in the provincial budgets, which have been unbalanced for some time. Last year Mr. Bennett demanded that these be balanced before further loans would be made, but new advances have recommenced without this being accomplished.

Western premiers are expected to ask Mr. Bennett in the next few days for more loans and greater relief contributions, among other things. But even in the west, there is some opinion that the provinces should not depend on Ottawa; that they should solve their own problems, as is shown by the following letter:

Editor, The Financial Post:

Once again the prairie provinces of Canada are going to appeal to the Dominion Government for financial aid, and once again—perhaps for the last time—Mr. Bennett, our Prime Minister, is going to have the opportunity of going down in Canadian history as a great statesman. What is that opportunity? It is the opportunity of telling the premiers of the governments of the Western provinces that unless they adopt drastic economies the Dominion of Canada will not lend or give them one solitary cent.

What is the position? I will take the province of Alberta as an example. We have in Alberta a paltry population of a little over 700,000 people. We have a $3,500,000 legislature building and sixty-three members of the legislature. We have six cabinet ministers and their deputies. We have, in addition a large administrative building filled and teaming with clerks, inspectors, and stenographers. We have just about as many government officials, deputies, inspectors and clerks as Great Britain with her population of over 50,000,000. And, on top of it all, we have more laws, regulations and restrictions than any civilized people ever had in British history. We have more than that: at every session of the legislature we have new acts and amendments upon amendments to existing acts, with the result that no person, industry or profession in Alberta knows from day to day just exactly where he, she or it stands.

Not the worst feature is the fact that our so-called legislators in

(Continued on page 2, col. 6)

Vickers May Seek to Defer Payments to Sinking Fund

From Our Own Correspondent

MONTREAL.—Little improvement has taken place in earning power of Canadian Vickers and it is expected that the financial statement for the year ended February 28 next will show bond interest unearned. During 1932-33 the company had an actually operating loss of about $33,000, but the Dominion Government subsidy, which is assigned to the bondholders' trustee, covered the greater part of this charge.

In the 1933 fiscal year the company had an aggregate deficit of $384,533 after all charges, while net working capital dropped approximately $350,000. It is possible that if there are no definite indications of a turn for the better, the company may seek to conserve its working capital through deferment of the sinking fund.

Meanwhile operations at the plant are relatively slack. The Marine Department has one or two odd jobs. The industrial division is slow, while the airplane and other departments have little to do. In the event that the Government undertakes a public works programme, it is possible that Vickers industrial plant would be in a position to secure a fair share of the work offering.

Investment interest in Vickers securities has been negligible, though the bonds are in fair demand selling around 50 to 53.

Highlights of the week

New Cars

Five pages of news on the latest things in automobiles. Prospects and records for the industry, replacement demand, descriptions of individual makes and the National Motor Show. Pages 11 to 15.

Carloadings

Survey of this comprehensive business indicator for 1933 shows just where the changes took place last year. The record compared with 1932 and 1931. Page 7

Bank Notes

"Banker" replies to "Economist" on the cost of loss of note issue privileges of chartered banks. What a central bank of issue may mean to bank earnings. Page 16.

Rum Words

Increased interest in liquor stocks and the alcohol trade has presented investors with a new vocabulary problem. What the whisky language means. Page 6.

Brazil

Coffee and Brazil and what they mean to each other. How clarification of the coffee situation might help Canadian investors. Page 9.

C. N. R. Trio

Edouard Labelle, French Canada's representative on the new C. N. R. board. Who he is and how he got there. The last of three sketches of the men who will run Canada's railroad. Page 4.

Nickel Profits

For 1933 they may have been large enough to warrant a dividend in 1934. An authoritative comment on the latest earnings trend. Page 20.

Big Spending

If Mr. Roosevelt's budget programme carries, Washington will soon be spending at faster than war time rates. Dr. Gaines T. Cartinhour of New York University tells what it means. Page 18.

Bank Stocks Rise

Stock market trend in January has been led by Canadian bank shares, which have made sharp gains. Pros and cons analyzed. Page 19.

Investor's Index

C. W. Lindsay stays liquid	5
Bralorne's new financing	20
Pioneer of B. C. profits large	20
Siscoe's best year	20
Cons. Smelters' output up	20
Arntfield's ore investigations	20
Premier buys new property	20
Can. Vinegar earns more	18
Int. Paints suffers loss	19
Gypsum's position better	19
Premier-Imperial trust deal	19
Foreign Power income down	4
Bell Telephone revenue lower	4
Ottawa Power's steady income	4

INDUSTRIALS, UTILITIES, ETC.

Alberta Pac.	9	Int. Nickel	20
Bruck Silk	9	Imperial Tr.	19
Brazilian	5	Int. Paints	19
Brewing Corp.	9	Imperial Oil	5
Bell Telephone	4	Kelvinator	9
Can. Hydro-El.	9	London Life	17
Central Can. L.	8	Montreal Deb.	9
Can. Vinegars	18	Massey-Harris	1, 9
Cons. Smelters	20	MacKinnon Steel	9
Can. Canners	1	Montreal Tram.	4
Can. Vickers	1	Nor'west. Pwr.	19
C. N. R.	4	Nat. Steel Car	9
C. W. Lindsay	5	Ogilvie	9
Cons. Indust.	5	Ont. Equitable	17
Dom'n. Stores	5	Ottawa Pwr.	4
E. Twp. Tel.	4	Premier Trust	19
For. Pwr. Secs.	4	Shawinigan	9
Gurd, Charles	9	Stop & Shop	5
Gypsum, Lime	9, 19	Rog.-Majestic	9
Hinde & Dauch	5	West. Breweries	9

MINES AND OILS

Amity	20	Macassa	20
Arntfield	20	Minto	20
Anglo-Candn. Ex.	20	Marbuan	20
B. R. X.	20	Newmont	5
Bagamac Rouyn	20	Pioneer B. C.	20
Bidgood Kirk.	20	Premier	9, 20
Bralorne	20	Parkhill	20
Cons. Smelters	20	Reno	20
Chigougamau	20	Salmo-Malartic	20
Dunwell	20	Siscoe	20
Dome	1	St. Anthony	20
Int. Nickel	20	S. Tiblemont	20
Lebel Lode	20	Topley Rich.	20
Lake Shore	20	Yukon Cons.	20
McMillan	20		

QUOTATIONS

Bonds	18	Mines	19
Grain	18	Stocks	18
Foreign Exchange	16		

REGULAR DEPARTMENTS

Answers to Enquiries	4
Business	4
Banking	16
Editorial	8
Grain and Milling	8
Insurance	17
Mining	20
Utilities and Transportation	4

MASSEY-HARRIS ADJUSTS ITSELF TO NEW PRICES

Progressive Liquidation of Old Receivables and Inventories Encourages

HAS LOSING YEAR

Associated Company Gives Welcome Indication of Improving Conditions by Paying Dividend

Massey-Harris Company's year ended November 30, 1933, as expected, was one of further loss for the company but it is understood that the financial statement to be made available late in February or early in March will show important advances made in the company's major depression problem of liquidating old bills and accounts receivable and in sale of another portion of the large inventory. Thus bills and accounts receivable which were shown on November 30 at $16,937,139 after deduction of $4,668,575 as a reserve for bad and doubtful debts, will be lower, and it is understood that there has been payment of some debts that had been listed in the doubtful and bad debts column.

Inventories, which stood at $13,109,750 after deducting reserve of $4,339,029 will have been reduced still further during the year. Secured bank loans and overdrafts will be down materially from $6,328,160 shown a year earlier.

Continued Discount for Cash

No one cognizant of the situation expects the company to be able to show earnings for the year ended November 30, 1933, sufficient to cover bond interest and bank interest after bad debts write-off and depreciation provision let alone earnings on preferred or common stocks. The most that is expected is that the company should adjust itself progressively to the new price situation so that when there is enough improvement in purchasing power of farmers to enable them to buy farm machinery at any reasonable price it will be able to meet their ideas. Such adjustment has been made to a notable extent as shown by the above reserves against former values of receivables and of inventory. Last year the company continued the cash discount offer of 10 per cent to farmers paying off old accounts or buying new machinery. The season of 1933 showed some improvement over that of 1932.

One of the chief sources of optimism for eventual recovery of debts owing the company, is the memory of old employees and officials of the conduct of farmers when recovering from bad depressions of the past. They have a strong belief in the essential honesty of the Canadian farmer and can tell many stories of how farmers paid bills in the past just as soon as market conditions permitted. This even applied to outlawed bills and in one case a farmer spread his payments over 30 years but eventually paid and would not have been satisfied with any other solution.

Dividend From Australia

The company received distinct encouragement recently, it is understood, by reason of a dividend of 3½ per cent on its holdings of stock in H. V. McKay Massey-Harris Proprietary. That investment, including investment in H. V. McKay Massey-Harris (Queensland) Ltd., was shown at $3,265,533 in the last two balance sheets.

The improvement of affairs in Australia which enabled the Ford Company to bring to Canada millions of dollars owed to it in Australia and to declare a much appreciated dividend has been extended in this case to the Massey-Harris Co. It still has old accounts to collect in that country. It is hoped that the improvement in Australia may be experienced in 1934 by Canadian farmers in Western Canada. Certainly the Australian situation is turning out far more satisfactorily than expected some

(Continued on page 2, col. 8)

Bond Exchange Is Considered By I.B.A. Group

From Our Own Correspondent

MONTREAL.—Members of the Investment Bankers' Association of Canada have had under frequent discussion the advisability of forming an exchange for dealing in bonds, but to date the executives have not come to any definite conclusions as to what course of action they will adopt.

It will be recalled that in the report of the proceedings of the last annual meeting, space was devoted to the suggested formation of an exchange and other matters designed to improve the business of the investment bankers. Since then numerous meetings have been held in Montreal and Toronto.

Two Schools of Thought

There is no unanimity of opinion among the members as to the need of a bond exchange. Many feel that such an institution would not be of any particular benefit, either to the investor or themselves. Others, however, believe that an exchange would be worthwhile. Further discussions on this important matter are likely to be held, but it is unlikely that any definite conclusion will be arrived at for some time.

EATON'S Semi-Annual SALE of Furniture and House Furnishings

has big significance for every householder

This Semi-Annual Sale is of vital importance to thousands of Canadian homes—because it offers every type of Canadian-made furniture, for purses of all dimensions, at lowest cash prices.

Because we buy jointly for our large stores—Toronto, Montreal, Moncton, Hamilton, Halifax, Winnipeg and our Western stores—as well as for our smaller Stores, we secure all the advantages of big volume buying. These advantages we pass on to our customers in exceptional values.

You can buy for cash, or you can buy on the EATON DEFERRED PAYMENT Plan, whichever you prefer. While, of course, the cash customer receives the lowest price, the deferred payment price as well as the cash price is backed by the EATON LOW PRICE GUARANTEE, which reads as follows:—

EATON Low Price Guarantee

"In any bona fide instance reported to our ADJUSTING BUREAU of an article purchased here which could have been purchased elsewhere in Toronto for less on the same day, and on the same basis, we guarantee to refund the difference plus 7% of the lower price quoted elsewhere."

This guarantee applies to D. P. Prices and cash prices.

IT IS THE TIME TO BUY FURNITURE

EATON'S - COLLEGE STREET

MAY LIFT BAN BRITISH LOANS FOR DOMINION

(Continued from page 1)

market in which they could borrow with certainty. Even if the British embargo is lifted, it is thought, western provinces would perhaps have to have some support from the Dominion to be able to borrow successfully in London.

The success of the Dominion loan of £15,000,000 last summer, the first in the British market for some 20 years, leads financiers to believe that a new Canadian loan at only 3½ per cent would be popular in L ndon. This rate has been satisfactory for other Empire loans. The Dominion, it is believed, could sell a 3½ per cent issue at about 98, a yield basis on 20-year bonds of about 3.64 per cent. This is based on the present approximate yield of last summer's four per cent Canadian issue, which is now at about 105 in London.

The C.P.R., it is understood, has had to have loans from banks to handle maturities. If the British market is opened, it is thought possible that the railway might be one of the first to take advantage of it. Canadian Pacific is still favorably regarded in Great Britain, although the common dividend has been omitted. British railways have had such difficulties in the last three years that the Canadian problem does not look hopeless to United Kingdom investors. Moreover, appointment of the new C.N.R. triumvirate may have added to confidence in C.P.R. because of the possibility that excessive railway competition in Canada may be reduced.

May Lift Markets

Opening of the British market might have the effect of improving prices of a wide list of the highest class Canadian securities. Money rates in the markets lending to Canada have been a major factor in Canadian bond prices. With London rates for government securities as low as three per cent, it may be that opening of the market to Canadian borrowing would tend to lower the entire Canadian interest rate structure. Australia and other Empire borrowers have been able to accomplish this through the London market, but Canada has been largely out of the picture because few of our loans mature in London and new borrowing was banned. However, the £15,000,000 loan of last summer apparently had the effect of lowering interest rates in Canada.

British Viewpoint

From the British viewpoint, reopening of the market to outside borrowers has been urged in the interests of British exports. One instance of the baneful effects of the issue ban was that British mining companies operating abroad were recently prevented from issuing securities, and, therefore, refrained from buying mining equipment in the United Kingdom.

Because of the lessons of postwar financing, however, there are some British authorities who would not extend the borrowing privilege to any but the best foreign debtors. In this way purchase of British goods would not be financed through loans that were likely to turn out badly. This practically means that Empire borrowers would be almost the only class eligible at first. And Canada is perhaps the most in need of all the Empire borrowers because this country has financed itself in the depression period to a greater extent than any other part of the Empire.

Crown Trust Service for Your Daughter

It will give her an independent income, and a principal sum which she can some day bequeath in her will as she sees fit.

Meanwhile it will protect her heritage from loss through misinvestment on the one hand, or emotional spending on the other.

All through her life, whenever she is puzzled by figures, accounts and finance she will have a financial adviser to turn to for experienced and kindly counsel.

So Trust Protection watches over a daughter whose father is thoughtful enough to appoint the Crown Trust Company as Executor.

Call and discuss this matter without obligation.

Crown Trust Company

EXECUTORS TRUSTEES — FINANCIAL AGENTS

393 St. James Street West - - Montreal

The Nation's Business

(Continued from page One)

Mr. Bennett has been able to follow through his advances with creditor control over the situation only to the extent of writing letters.

This leaves the alternatives of drastic cost-cutting, refunding, or default and compromise. Already western governments have shaved down their outlays on capital works. They have cut their ordinary budget expenses, but have lost this gain in relief and interest expenditures. At the same time western Canada has groaned under the heaviest taxation in its history. Additional taxation will only serve to increase burdens, and may yield little. The answer to the budget situation is to cut expenditures further.

One method of cost-cutting would be to combine the governments of the prairie provinces, and eliminate all duplication of costs, statutes and legislatures. Perhaps this is the opportunity for the west to do it. Another method would be for each of the governments to call in outside advisers and controllers of finance.

In regard to expenses of government the western provinces are not as extravagant today as some other provinces. Their crisis is due primarily to relief expenditures, which are the outcome of the world depression, and interest charges which reflect past rather than present improvidence.

There is more that they can do to cut ordinary expenses but solution of their problem cannot be found without a saving on relief expenditures and a saving on interest charges.

There is a disposition today to feel that relief is a charge that should be borne largely by the Dominion. The situation in Saskatchewan, where there have been four successive crop failures in certain sections, is called a national emergency. Perhaps relief administration is a national matter. If it is, the Dominion should be in charge of it in all nine provinces and not only in the west.

In any event this is a question on which Ottawa should have a definite policy. Money is being loaned to Saskatchewan on the ground that its relief problem constitutes a national emergency. But if this is true the money should be spent there on relief by the Dominion (as indeed large sums have been spent) and not debited to the province as a loan.

* * *

FROM the west itself has come the suggestion of refunding debts at lower rates of interest. By this means the largest item of cost in the four provincial budgets might be reduced. Opposition to such refunding has come chiefly from investment bankers who sold bonds of the borrowing provinces and indirectly from the Dominion through its efforts to keep the west solvent by making advances. Backing of the provinces in their financial programmes by Ottawa has given the impression to many investors that the provincial securities have the equivalent of a Dominion guarantee. While the Dominion had thought it was protecting its own credit by lending to the west, the provinces have been unable to hide their difficult position by this expedient, and it is doubtful whether the Dominion has helped itself. And now the Dominion is in the position of a commercial creditor; in so deep that it may be forced to go farther, the ultimate possibility being a settlement at so much on the dollar. If refunding is to be carried out, the Dominion might do well to assist it now, either by its own support in Canada, or by negotiating for the provinces in Great Britain.

Investment bankers appear to take the stand that things may get better, and the situation should, therefore, be allowed to drag along. This is just what has been going on for too long. They also point out that a refunding would result in a sacrifice by bondholders of part of their interest income. Later, they contend, revaluation of gold throughout most of the occidental world may raise prices materially, make it easier for the west to pay, but again reduce the real return to bondholders. Hence they oppose refunding. The probable course of prices is too far distant to be appraised. In the meantime, nothing is being done to really help Western Canada. The provinces are being loaned money which merely makes their debts greater and their interest charges more onerous.

* * *

THE Dominion is hardly likely now to withdraw its financial assistance from the four provinces altogether. The Dominion government has not done this for fear of weakening its own credit. It will, however, undermine its credit more slowly but just as surely, if advances are continued on a slipshod basis.

To those who are willing to face the music, the situation is gradually becoming clear. Governments of western Canada want to refund their debts to cut expenses. This should be done with whatever assistance the Dominion can give them. The Dominion government may have to take over expenditures on relief, but through provincial machinery, for the entire country. But the western governments are not keen to cut other costs further than they have already done. Despite political promises, this must be done. Ottawa dislikes the thought of a possible provincial default. But if the debtor provinces cannot or will not agree to cut their own costs, there is small hope that Ottawa can do it for them. In such event the advances should be discontinued so that western Canada will be free to arrange its own affairs with its creditors.

The result of the present policy of advances to the provinces has been to undermine rather than strengthen confidence in western Canada, and to make the day of reckoning harder to face. It has not helped the west. Permanent improvement will be achieved, not by vacillating, but by finally determining what Ottawa's policy must be and is to be. The problem has grown larger than the government expected when it made the first advances to these provinces.

* * *

Terrific Burden of Debt Maturities

CANADA'S staggering debt and the imperative necessity of reducing carrying charges will be brought home to Canadians this year with the realization the Dominion will have to redeem or convert a debt equivalent to nearly $40 per head of population. There is an issue to an amount of $23,467,000 falling due in London on June 1. There follows in August $50,000,000 payable in Canada; $60,000,000 in New York on October 1; $35,000,000 due to the banks on November 1, and the unconverted balance of the 1934 Victory Loan issue to the amount of $226,188,000. Added to this are certain C. N. R. obligations, making a total of nearly $400,000,000.

Even in normal years such financing would present a major problem. Under present circumstances the task becomes Herculean. Already it has been suggested that there be a forced conversion. Official circles show little favor for this proposal. It would imply the breaking of a contractual obligation, and, in addition, would impair the country's credit at a time when it is essential to keep our credit rating high.

The faith of Canadians and of those investors in the United States and the United Kingdom in the future of this country, will combine to make possible the successful financing of this year's maturities. It will not be done without sacrifice, however, for the new bonds will undoubtedly carry a lower coupon rate — one more in line with the current earning power of money and which the Dominion will be able to pay without adding to the already onerous burden of taxation.

Footnotes to Ottawa

An Occasional Department of Comment on the Background of Governmental Activities in the Nation's Capital

From Our Own Correspondent

Butter From New Zealand

THE threat of butter imports from New Zealand once more darkens the horizon of the dairy industry. Slaughter prices, which have prevailed since last August—when the country suddenly discovered an unsuspected surplus of ten million pounds—have lifted in the past two weeks. The rise is due to the fact that four million pounds has been exported and, further, that low prices have driven many producers out of the field. They cannot re-enter until spring. It now appears that there is no more than enough butter to carry the country through the next few months and prices have risen from 4 to 6 cents per pound in consequence. Present prices in fact, would hold out a promise of profit to New Zealand exporters. While Ottawa has not received word of shipments enroute, it has been announced that the butter item (fixing a tariff of 5 cents per lb.), in the New Zealand treaty has been suspended and the ordinary preferential rate of 8 cents per lb. will apply. There is no chance of the Government facilitating imports.

* * *

Renew Trade Treaties

TWO trade treaties have been renewed in the past few days. The temporary agreements with Germany and Austria, both of which expired December 31, will be continued in force until the end of the preesnt year. The agreements simply provide for an interchange of intermediate or favored nation tariffs. No special concessions are granted.

* * *

Cut Cattle Freights

NEGOTIATIONS between Hon. Robert Weir, minister of agriculture, and the heads of the railway companies have resulted in a sharp reduction of freight rates on export cattle. The announcement was somewhat garbled in the original release but the facts are quite simple. Livestock men who buy feeders in Eastern Canada and who subsequently ship them to seaboard for export will receive a 50 per cent rebate on the movement from the feed lot to seaboard. Western farmers who buy feeders and who later ship them to seaboard for export, will get a rebate of 25 per cent of the cost of moving the cattle from the point of original purchase to the feed lot. In no case must the feeder cattle be purchased from the large livestock markets. Purchases must be made from farmers or ranchers.

* * *

Second C. P. R. Loan Denied

RUMORS to the effect that a second government loan has been granted to the Canadian Pacific Railway are denied at Ottawa. The basis for these rumors is believed to be the publication of the order-in-council approving of the original loan of $60,000,000 made last May.

While the Bennett Government agreed to the loan in the spring, the order-in-council was put through on November 29 and was only now announced. The official summary of the order reads:—

"Guarantee of repayment of loans made by chartered banks to the Canadian Pacific Railway Company totalling $60,000,000 with interest thereon at the rate of five per centum per annum payable half yearly, the said loans to be repaid on or before the first of December, 1938, and to be secured by the deposit with and pledge to the several banks by the said railway company of its perpetual 4 per cent consolidated debenture stock having a nominal or par value of $100,000,000."

* * *

The Salary Cut Problem

HON. E. N. RHODES did not give much satisfaction to a delegation of civil servants that sought the early cancellation of the ten per cent salary cut. This cut was imposed in the spring of 1932 and has netted the treasury a saving of about $8,000,000 per year. In addition the delegation sought a reversal of the policy of cancelling statutory increases. This policy has netted a saving of nearly $1,000,000 per year.

While Mr. Rhodes was very cautious in his answers and while there is to be a second conference in February, it appears that the government is favorably inclined. Recent salary increases by some of the banks and other large commercial institutions have not passed unnoticed and if federal revenues continue to improve it is practically certain that salary cuts and the ban on statutory increases will be cancelled.

* * *

Cattle Embargo Worrying

WESTERN cattlemen are viewing with an anxiety which is shared at Ottawa the recent move in Great Britain to restrict the importation of cattle. Quite clearly the British Government is embarking upon a broad policy of protection for agriculture. This policy already endangers our growing export of eggs and is gradually reducing Britain's wheat requirements.

All that has happened, so far, is that London has asked Ottawa to restrict exports of Canadian cattle during the first quarter of 1934 to the total for the corresponding period of last year. The figure is 7,827 head. At the same time imports of cattle from the Irish Free State (Britain's chief source of supply) have been cut by 50 per cent.

This restrictive measure, of itself, does not alarm Federal officials because there is little prospect of the export trade in the first quarter of this year exceeding that of last year. But it is feared that London may address a similar request to Ottawa for the balance of the year and this would occasion great disappointment.

CANNERS YEAR TO SHOW GAIN IN EARNINGS

(Continued from page 1)

permit an even higher figure but canners believe it better to retain the present figure to encourage consumption. They will come to the next pack with clean shelves, however.

In corn the situation is better because the corn this year is improved in quality. That means increased sales. Stocks of canned corn were reduced before the 1933 crop but there will be plenty of corn, it is reported, throughout 1934. Corn shows an improvement in price per dozen tins over the low point two years ago of from 25 to 30 cents.

Canadian Grocer reports that canned peaches will probably be entirely cleaned up before next September. As Australian peaches sent to Canada on consignment last year had to be sold eventually at a loss, there is not much competition at present from the Antipodes. Canadian canners undersold them and they took a trimming. In the British market Australians do better and the Australian peaches and California peaches can undersell Canadian because of the much lower prices paid to the growers.

Do Well With Pears

As for canned pears, Canadian Canners is selling larger quantities of these than ever before but the situation is well in hand nevertheless. The cheaper pears have gone quickly into consumption. The cherries are practically all sold. There was a short pack of canned raspberries and strawberries and the output is all out of canners' hands into jobbers' hands and in the big stores.

Canadian Canners and other canning companies which have survived the trying experiences since 1930 have had to take terrible losses in cleaning up the immense inventories created at higher prices. They have cleaned up their old inventories and have taken the losses in their efforts to meet the buyer. They are now back at 1913 prices and, therefore feel they are more solidly established with the public for any improvement in purchasing power that comes than for years.

Inventories Down

The first public evidence given was the bonus of 10 cents a share added to the dividend on second preferred stock on January 2. The financial statement for the year ending February 28, 1934, will probably show other evidence in the shape of increased earnings, a reduction in the bank loan of $1,856,123 shown on February 28, 1933, inventories down at least two million dollars under the $5,784,075 shown a year ago and possibly a better liquid position. The company has added to fixed assets by putting modern plants in districts which they believe will be more advantageous to them. At the same time the policy will be followed of keeping a large number of old canning establishments closed until demand justifies their reopening.

More Exports Sought

Though there still remains part of January and all of February in the current year, the company's position by this time is fairly definite. Executives know what they have in cans and what they have to sell. They know that the situation is easier than for years. It has been improving since the low point of 1932 and they believe that their industry is simply one of the first to turn the corner and hope that business generally will improve because that will confirm them in their belief that the present trend upward in profits may continue in their own business.

The statement which will be available next May, however, will not be final as to the value of the stock. The company is hitting the line harder than ever before in the United Kingdom for export business and is canvassing the situation elsewhere as well.

PREMIERS TO DISCUSS CANADA'S BIG PROBLEM FINANCING THE WEST

(Continued from page 1)

Alberta are men who in their own vocations of life were far from brilliant.

I state, and I state frankly and squarely, that to my personal knowledge millions of capital have been denied Alberta because of its hopelessly incompetent government.

What is my friend Mr. Bennett going to do about it? Mr. Bennett now has his one and last chance of winning the people of Alberta by telling the Government that the Dominion will not advance them another cent unless they adopt drastic and rigid economies.

I personally believe that if Mr. Bennett insisted upon Alberta being governed by a commission of six men he would win the everlasting thanks and praise of the people of Alberta. The same applies to the provinces of Manitoba and Saskatchewan.

A. J. SCOTT.

Calgary,
Dec. 31, 1933.

Political Aspect

Most observers believe that any loss of political freedom to Ottawa would be keenly opposed in western Canada, and that government by a commission would be politically impossible. The same obstacle would confront efforts to exercise close control over the provincial finances, it is thought. The provinces, however, could allow either of these apparently unlikely things to be done. Or the prairie provinces could perhaps get together and combine their governments, officialdom and legislation and save much money by so doing.

As to cutting expenditures, capital outlays by the four provincial governments have been reduced substantially. For instance, building and maintenance of highways have been shaved almost to the vanishing point.

On current account also, the provinces have reduced expenditures. But these gains have been offset by increased outlays for relief, or for increased debt charges. This is shown in the 1933 budget experience of Manitoba and Alberta, the only two of the four borrowing provinces for which the year's public accounts have been published, as follows:

	1933	1932
	$	$
Manitoba:		
Debt chgs.	6,198,881	4,180,785
Controllable	8,112,602	8,252,319
Expenditure	14,311,483	12,438,104
Revenue	12,366,918	12,435,110
Deficit	1,944,565	2,006
Alberta:		
Debt chgs.	6,814,658	4,823,707
Controllable	10,719,128	8,862,554
Expenditure	17,533,786	13,686,261
Revenue	15,426,265	15,265,084
Deficit	2,107,521	*1,578,823

*Surplus.

Financial Aspects

Some financiers who have participated in underwritings of western provincial bonds feel that expenditures cannot be cut much more. In some instances they contend that the relief problem of the west is really a national emergency and that it is the Dominion's duty to continue to lend for this reason. In Saskatchewan, where some areas have suffered four successive years of drought and crop failure, it is claimed that the situation is similar to that of a disaster such as earthquake, flood or famine. Thus, they say, the Dominion should furnish the necessary extraordinary relief funds.

This is just what Ottawa has been doing. But the outlays have taken the form of loans. There are some who think the problem should be recognized more clearly, and the loans written off as expenditures by the Dominion. At the same time it is contended that if the Dominion is to handle the entire relief burden for the west it should do the same for all provinces; set up a Dominion relief administration that would have control over provincial administration of relief funds supplied by Ottawa.

Then there is the question of debt charges. Western governments have suggested that these be reduced by refunding provincial bonds at lower rates of interest. Since most of the bonds are not callable, and many are held in the United States, financial circles concede that such a refunding would have to be carried out on a coercive basis or by selling new bonds either in London or in Canada with the Dominion's support. In either event, non-callable provisions would have to be violated to effect such a scheme.

Although they would like to see budget expenditures of the provinces reduced, investment bankers who sold the bonds oppose any such refunding. They feel that better business and better commodity prices may develop and remove the need by working a revival of economic activity in western Canada.

It has also been pointed out that cutting interest rates might cause bondholders a double sacrifice. That is, revaluation of gold throughout the world might ultimately bring higher commodity prices and loss of purchasing power to bondholders. In which case the sacrifice of the west's creditors would be duplicated, first in actual interest, and, second, in lowered purchasing power of the reduced coupon rates. Thus it is claimed by these interests that it would be best to wait for a year or so to see what develops as to crops and prices before making a compromise with the provinces; especially so, it is contended, now that conditions appear to be improving.

Nevertheless there are some realist financiers, some of them creditors of western provinces, who think that some reduction of the cost of western debt charges will have to be effected. So far no one appears to have thought out a scheme for granting a temporary reduction of interest rates, a plan common in financing insolvent corporations.

Confidence in West

In one respect, at least, the Dominion's advances to the west have tended to sustain investment confidence. In both Great Britain and Canada, investors have observed the granting of loans. This has led them to conclude that the Dominion will back the provinces to the limit. Bond salesmen are understood to have used this implication of a Dominion guarantee in selling debentures. Their contention apparently was that the Dominion had recognized it must help the west to help itself, and must continue to do so. To this extent the loans appear to have helped the market for provincial issues.

There has been an inclination for some observers to point out that perhaps the western debt problem isn't so bad after all, because other provinces have increased their debts as much as the four western areas in the last four years. It is pointed out, however, that other areas have more diversified resources and greater wealth to bear the stagggering burden of government debt and taxation. The debt problem is conceded to be a real one throughout Canada, but in the west it is considered acute.

In some quarters there is a firm belief that the west has the natural resources to carry present burdens, if only national and international economic conditions were more favorable. On all sides the tribute is paid to the western people that their high moral fibre has stood the tests of high taxation, crop failures, lowered standards of living, and all the other stresses of depression. At the same time there is some fear that the provinces are in danger of relying too much on the Dominion and losing some of their self-reliance.

MASSEY-HARRIS ADJUSTS ITSELF TO NEW PRICES

(Continued from page 1)

years ago when the then general manager felt that the best solution of Massey-Harris's problems in Australia was to combine with the leading Australian manufacturer of farm machinery. A few years ago the Australian situation was thought to be much worse than the Canadian. Now it is better.

Blackstone Agreement Made

The easier conditions for remittance of foreign exchange also works better for the company than a year ago. This is not true of the Argentine as yet but it does apply to Australia and Empire countries, the United States and the British Isles.

The company is following up its Australian precedent by making agreements with other companies for mutual sale of each other's complementary products. In the United Kingdom Blackstone & Co., of Stamford, England, has agreed to manufacture its haymaking machinery, potato diggers and food preparing machinery for Massey-Harris to distribute in the United Kingdom and Canada.

Safety, the watchword—conservative management, the guiding principle . . . . for 116 years.

BANK OF MONTREAL

Established 1817

TOTAL ASSETS IN EXCESS OF $750,000,000

HEAD OFFICE MONTREAL

Church's Shoes

for Long Wear and Comfort!

Comfortable from the first — that's where Church's famous English shoes are *different!* Expert English shoemakers fashion them from quality leathers to look well, wear well and feel well on your feet through months and months of service. Choose a pair of Church's from our complete range of fine models including brogues and grains. Sizes 6 to 12, widths AA to E. At

11.50

Simpsons—Street Floor.

THE ROBERT SIMPSON COMPANY LIMITED

A.J. Pattison, Jr. & Co. LIMITED

Established 1907

EXCLUSIVELY A TRADING ORGANIZATION

Designed to render a standardized service to Banks, Dealers, Trust Companies, Brokers, Industrial Corporations and Individuals in all

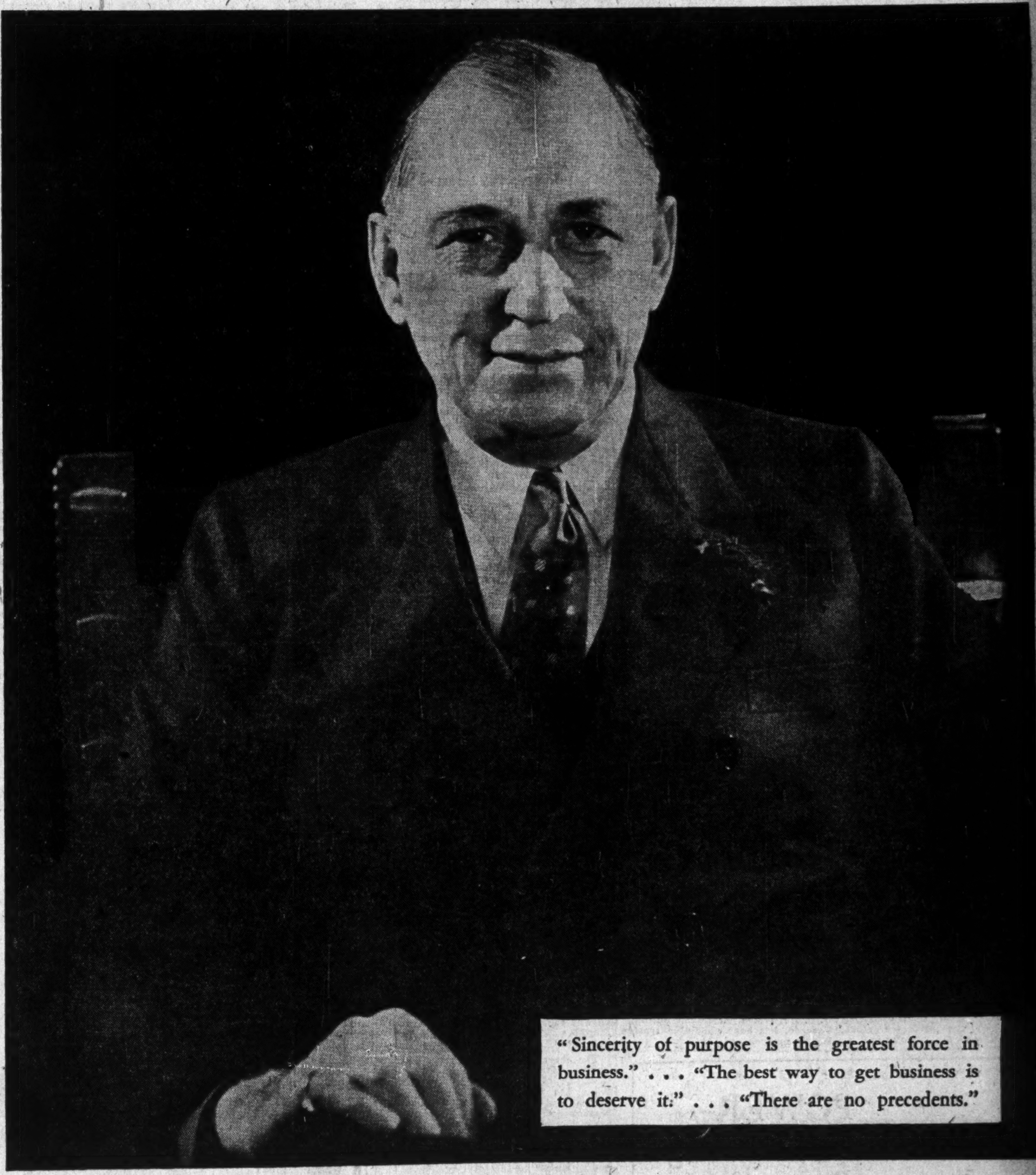
CORPORATION SECURITIES

3rd Floor, Royal Bank - - - Toronto, Canada

Chrysler's Mighty March to *Leadership* !

"I have never understood why progress should crawl . . . when it can be made to *Leap!*"

says WALTER P. CHRYSLER



CHRYSLER marches forward into another year of stirring battle—armed to the teeth and with no uncertain step.

In January of last year we said "Chrysler intends to take a bigger bite of the Canadian business than ever before."

We did just that:

From 15 per cent of all the automobile sales in 1932,* Chrysler Motors in Canada leaped to 22.8 per cent of all sales in 1933*.

Indeed a mighty march to leadership!

LEADERS MUST LEAD

To lead in the automobile business they must lead in engineering. Engineering is the lifeblood of Chrysler Motors. Building for today, creating for tomorrow . . these parallel activities occupy the lives and thoughts of a thousand scientists and engineers housed in the Chrysler Laboratories.

So Chrysler products continually offer to the buyer vital improvements found in no other motor cars . . . and Chrysler engineering leadership is maintained.

THE ROAD TO SALES LEADERSHIP

This engineering leadership maintained through ten years of battle and progress, is the reason for Chrysler's unremitting and relentless march to *Sales* Leadership. Chrysler's firm conviction that "the best way to get business is to deserve it", coupled with an extraordinary sense of knowing what the public wants, has produced a series of "right moves". The motoring public has responded with a continually growing recognition.

NINETEEN THIRTY-FOUR

For 1934 Walter P. Chrysler presents in the Airflow Chryslers and the Airflow De Soto, cars so far in advance of contemporary design that we are justified in saying that "they are the first real motor cars since the invention of the automobile!"

In the 1934 Dodge, Walter P. Chrysler presents two series of motor cars "Bigger, Faster, More Rugged than ever!" And of the 1934 Plymouth Six he says—"it is the best engineered car in the lowest price field."

BREAK THE CHAINS OF HABIT BUYING

In 1934 by all means abandon any thought of buying from habit! Do not permit your choice to be fettered by prejudice or tradition. See and drive all the good cars before you buy—and may the best car win.

*11 months.

CHRYSLER CORPORATION OF CANADA LIMITED

Utilities and Transportation

FOREIGN POWER INCOME LOWER FOR LAST YEAR

Conditions in France Reflected in Balance Sheet and Income Account

From Our Own Correspondent

MONTREAL.—Adverse business conditions in France became more pronounced last year affecting operations of the major utility concerns and in turn revenues of Foreign Power Securities.

For the twelve months ended last October Foreign Power's income was just under bond interest requirements. This does not take into consideration the sale of a fair sized block of securities under favorable circumstances, the profit arising from this deal being used to set up a reserve against investments.

Particulars of the income account follow:

	1932-33	1931-32
Gross	$275,163	$343,360
Expenses	21,126	33,522
Taxes	.....	14,696
Balance	254,037	295,142
Interest	293,068	310,714
Adjustment	......	3,988
Surplus	*39,031	19,560
Prev. balance	908,626	1,108,575
Balance	869,595	1,089,015
Pfd. dividend	......	150,000
Loss on inv.	.....	30,389
P. & L. bal.	869,595	908,626

* Deficit.

Investments Are Lower

The balance sheet at the end of last October does not show improvement over that reported at the close of the previous year. Total assets are listd at $11,986,832 compared with $11,948,762. Funded debt has been reduced from $4,365,500 to $4,172,000. No change has taken place in the outstanding capital stock. Current liabilities are much the same.

Investments of the company are shown on the statement at a book value of $10,481,483, against a market value of $5,337,268. At the end of October, 1932, investments had a book value of $11,395,588 and a market value of $6,802,237.

Cash on hand is slightly greater at $379,765. In addition the company shows for the first time accounts receivable amounting to $1,028,160. This sum has been collected since the end of the fiscal year.

Discount on bonds has been reduced from $149,481 to $62,473. Other items show little change.

Among the contingent liabilities noted by the auditors are drafts endorsed by the company to the extent of 3,934,800 francs.

Nesbitt Reviews Situation

In discussing operations of the French Utilities, in which Foreign Power has most of its investments, A. J. Nesbitt, president, had the following to say in report to the shareholders:

"The total consumption of power in France was slightly better than 1932, and was produced in the ratio of 55 per cent hydro and 45 per cent steam. Development of new power sites was very limited, and only three developments, amounting to 10,000 k.w. in total, were approved during the year.

"L'Energie Industrielle and its associated companies continue to consolidate their position and now supply the City of Lyons exclusively with light, power and gas. Other companies, whose securities are held, have not extended their activities to any great extent. During the year your company purchased and cancelled $193,500 of its debentures, thus reducing the issue outstanding to $4.-172,000. It is also pointed out that discount on bonds, shown in the balance sheet, has been reduced from $149,481 to $62,473.

Comments on Values

"The market value of securities held by your company as at October 31, 1933, was $5,337,268, against a book value of $10,481,483. These market values as at present prevailing are not considered as reflecting the real value of these securities, and are due in most part to the fact that the French Republic is only now passing through the low stages of the economic depression which had not been felt as acutely as in other countries. The conservation of cash resources and absence of private capital in such periods has had marked influence in depreciating stock and bond security issues throughout France.

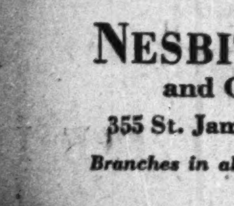
"During the year your company liquidated some securities in France, on account of favorable exchange rates, which resulted in a net profit on the transaction of $322,400, which profit was transferred directly to an investment reserve. In view of conditions as outlined above and the fact that revenues from securities held have not yet increased to an appreciable extent, your directors have had to continue deferment of quarterly dividends on the preferred stock, which dividends are cumulative."

POWER— Gold's Strong Partner...

Canada's gold production in 1933, valued at over $84,000,000—a record figure—emphasizes the magnitude and increasing importance of this great industry.

During the year additional ore bodies were developed in the Porcupine and Kirkland Lake fields, and new mines in Northern Quebec brought into production. These areas, served with power by Canada Northern Power Corporation, produce over 80% of Canada's total gold.

The progress of Canada Northern Power Corporation has paralleled the progress of the gold mining industry, with earnings reaching their highest peak in 1933. The Company will undoubtedly continue to grow with the expansion of the territory it serves.



We recommend

CANADA NORTHERN POWER CORPORATION LIMITED

5% Bonds—Due 1953

Price: to yield about 6.25%

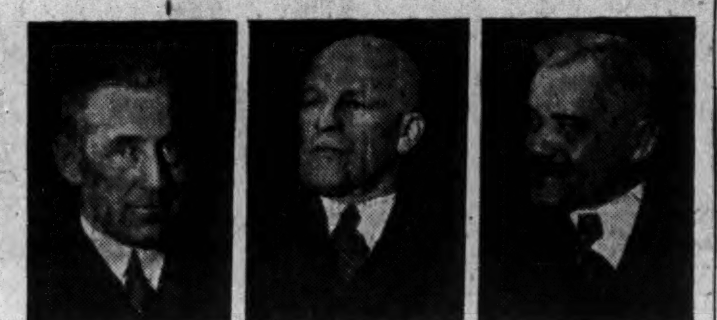
NESBITT, THOMSON and Company Limited

355 St. James Street West, Montreal

Branches in all the principal cities of Canada

—144

They Get Busy



F. K. MORROW C. P. FULLERTON J. E. LABELLE

The new Board of Trustees of the Canadian National Railways has held its first meeting. Already plans for effective economies have been considered. The trustees are seen above as they were photographed at their first meeting.

Bell Telephone's Revenue Off $2,000,000 Last Year

From Our Own Correspondent

MONTREAL—Gross revenue of the Bell Telephone Co. of Canada for 1933 is estimated at approximately 15 per cent below that reported in 1930, according to a statement issued by C. F. Sise, president of the company. During 1930 the company reported a gross income of $41,360,925, so that for the past year revenue should be around $36,000,000. This is roughly $2,000,000 less than was shown in the financial statement for 1932.

At the end of last year the company had at least 100,000 fewer stations in operation than during the peak period. This equipment has had to be kept in an efficient state which has meant heavy expense, together with higher fixed charges necessitated by the capital outlay. This has been a heavy burden, but with recovery this idle equipment will again begin to earn its way.

Even a moderate improvement in business, says Mr, Sise, will quickly be reflected in the company's position, for the system is ready at once to care for increased local and long distance traffic.

During the past few months, certain signs of improvement have appeared. The improvement this far is slight, but it is quite clearly perceptible, and, in comparison with the trend of one year ago, it may be properly regarded as encouraging. In last September, for example, a gain in total stations was recorded—the first gain in 21 months. The gain was not repeated in October or November, but the rate of decline appears to have been checked.

In long distance toll revenues there are also signs of improvement; the decline is slowing up to a point which brings total monthly toll revenues very close to those of the corresponding period of the previous year.

EAST. TOWNSHIPS TELEPHONE COVER DIVIDEND FOR 1933

Reduce Indebtedness to Bell Telephone by Over $22,000

From Our Own Correspondent

MONTREAL—Eastern Townships Telephone Co., controlled by the Bell Telephone Co. of Canada, more than earned its regular dividend of 72 cents a share on the common stock during 1932. By the end of last October net income then was sufficient to take care of the full year's dividend.

Revenues for the full year will not be as large as those reported in 1932. The decline in gross income, however, has been offset by economies, so that net revenue for 1933 was on a basis somewhat better than reported in the previous year.

Experience Better Times

The improvement in communications which has been reported upon by other telephone companies has also been experienced by Eastern Townships Telephone Co. The decline in toll traffic revenue appears to have been checked, while local station business is holding its own.

In addition to improved earnings, Eastern Townships Telephone has also been able to strengthen its balance sheet position. At the middle of 1932 the company had to mature $115,300 of bonds. Cash for this purpose was loaned to the company by the Bell Telephone. During the 18-month period ended December, 1933, Eastern Townships was able to bring about a reduction in notes payable to $93,000; in other words, the debt was reduced by better than $1,000 a month during the year and a half.

Wentworth Refineries Sold to Chicago Man

Wentworth Refineries, Ltd., and part of the assets of Amalgamated Traders, Ltd., have been sold by bulk sale to S. J. Sackett, of Chicago, Ill. G. S. Holmested, McKinnon Building, Toronto, has been appointed trustee of the proceeds of the sale.

OTTAWA POWER INCOME IN 1933 ON STRONG BASIS

Bond Maturities Taken Care Of — Changes in Balance Sheet

From Our Own Correspondent

MONTREAL.—Net earnings of Ottawa Light, Heat and Power Co. for the 11 months ended last November, after all charges including interest, have been slightly in excess of those for the same period of the previous year. It is estimated that income for the full year will compare satisfactorily with that reported for 1932.

In the face of bond maturities of $625,000 last June and $150,000 at the beginning of this month, which have been funded on favorable terms, cash position has been well maintained and the company now has no indebtedness maturing prior to 1957.

Change Balance Sheet

In view of recent income tax rulings, and in order to clean up the company's balance sheet, it is understood that substantial write-offs will be made this year from deferred charges, such as bond discount, etc. Inventory and accounts receivable will be substantially reserved against, the latter particularly having in mind slowness of collections due to depressed conditions, so that the company's balance sheet at the end of 1933 is expected to present a stronger picture.

PORT OF HALIFAX TRAFFIC ADVANCES

Fewer Vessels, But Cargo Tonnage Registers Big Gain

From Our Own Correspondent

MONTREAL. — Halifax Harbor Commissioners report that last November 576 vessels entered and cleared the port compared with 654 for November, 1932, and 691 for November, 1931. The net registered tonnage is reported at 634,762 as against 432,228 tons for November last year and 608,482 tons for November, 1931.

The increase in net tonnage was largely owing to an advance in the number of transatlantic vessels using the port. Of this type 158 entered and cleared the port last November compared with 135 for the same month of the previous year.

Cumulative Total Up

From the beginning of 1933 to the end of November the total number of vessels arriving and departing at the port was 5,912. This compares with 5,336 for the same period of 1932 and 5,577 for the first eleven months of 1931.

Cargo tonnage handled inward and outward last November aggregated 134,325 tons, compared with 96,114 tons and 122,372 tons in November, 1932, and 1931, respectively.

The total cargo tonnage reported for the first eleven months of 1933 was 1,531,553, as against 1,339,970 tons for 1932 and 1,429,008 tons for 1931.

Public Utility Earnings

Manitoba Power Co.

November

	1933	1932
Gross income	$104,455	$108,618
Oper. expense	25,747	25,823
Net earnings	78,708	82,790

Eleven Months

	1933	1932
Gross income	$1,139,330	$1,235,540
Oper. expense	266,832	296,368
Net earnings	872,498	939,172

Manitoba Power

	1933	1932	Decrease
October	$	$	$
Gross earn.	110,671	114,658	3,987
Oper exps.	35,240	36,488	1,248
Net earn.	75,431	78,170	2,739
November			
Gross earn.	104,455	108,618	4,163
Oper. exps.	25,747	25,828	81
Net earn.	78,708	82,790	4,082
11 Months Ended Nov. 30:			
Gross earn.	1,139,330	1,235,540	96,210
Oper. exps.	266,882	296,368	29,536
Net earn.	872,498	939,172	66,674

Labelle Brings Valuable Assets To C. N. R. Board of Trustees

French-Canadian Member Inherits French and Scotch Qualities—Railway Family—Three Years Record As Director of System

By JOHN LANGDON

Several months ago I was discussing with one of the country's leading railway executives the likely personnel of the proposed Board of Trustees for the Canadian National Railways. Various names were mentioned. Then my question:

"Who is Labelle? I have heard his name mentioned as the French-Canadian member."

"I have only known Labelle since his appointment to the C.N.R. board" was the reply, "but he strikes me as a man with more than average common sense and one who has displayed marked development as an administrator. He is a sound man"—an impressive comment coming from a man who is known for his shrewd judgment of men and seldom given to more than passing praise.

J. Edouard Labelle's appointment as one of the three trustees for the Canadian National Railways was not surprising to those who know of his work as a director of the railway for the past three years and his long and brilliant record in the legal and corporation fields.

Thoroughness and Thrift

He combines two qualities which inspirational writers tell us are necessary for success—thoroughness and thrift. Thrift he acquired from his forebears on his father's side and the other from his mother's people, who bear the good Scots name of Armstrong.

Labelle has the fine characteristics of these two nations who have given so many builders to Canada. He is a small man with iron grey hair, a twinkle in his eye and still on the right side of 50. He has the Gaelic genius for friendship combined with the canniness of the Scot.

Comes of Fine Family

In the next few years the public across Canada will hear much of Labelle and the other two trustees. Today he is little known outside his native province. Nor do books of reference help in providing a picture of the man. They tell us he is a member of one of the leading French families of the Province of Quebec, being the great-grandson of Louis Olivier, the first representative of the Warwick division (now Joliette and Berthier) in the first Quebec Assembly of 1792 and this representation was held by members or relatives of the family for 80 years without a break. Other members of the family who played a prominent part in the public affairs of the country were Sir Hector Langevin and Mr. Justice Michel Mathieu. Official biographies further tell us he was born in Sorel, that he attended Montreal College and later took a degree in law at Laval University.

No Bed of Roses

This may create an impression that Edouard Labelle was born with a "silver spoon in his mouth." This was far from being the case. Here is his own story:

"If it had not been for fate, British Columbia would have been my home province rather than Quebec. About 1890 my father decided to go West and establish a new home. His plan was never carried out, for in crossing the Red River, near St. Boniface, his canoe was upset and he was drowned.

"At that time my mother was only 32 years of age. She had eight children, the youngest a child of a few months, while I had just reached my fourth birthday.

"We were left in very straitened circumstances. Had it not been for my uncles, who came to our help, I do not know how we could have got along."

Due to the help of her brothers, Mrs. Labelle was able to bring up her young family and in due course Edouard went to the parochial school.

Sulpicians Provide Schooling

Toward the end of his primary school days there took place an event which was to have a vital bearing upon his future. One day toward the end of the term when Edouard Labelle was playing in the schoolyard, the parish priest came up to him and asked:

"Edouard, are you prepared to take a special examination in French?"

This apparently innocent remark was to mean more to Edouard Labelle than he was capable of appreciating at that time. It was a scholarship test.

He passed the examination successfully, and entered Montreal College where he received a classical education. Then to Laval where he took his degree in law.

From the time he left primary school until he graduated from university, his educational expenses were paid by the Gentlemen of St. Sulpice.

Believes in Classical Education

The value of a college education has long been a controversial subject on which there are many widely divergent views. Labelle has no doubt of its value and in speaking of a classical education says:

"Many people attack the value of a classical education. I consider it to be one of the foundation stones of successful effort. The study of the classics provides a background and the equipment for sound and logical thinking. It enables one to value things in their true light. You are less inclined to jump to conclusions. This all-round mental training enables you to look upon the merits and demerits of a case and come to a sounder conclusion than would be possible without the equipment provided by a classical education."

Handles Big Estate

The Sulpicians continued their good work after he graduated. They helped him in his career by giving him their small legal tasks. Looking back it was apparent that the Seminary had more important work in store for him. Fifteen years ago he became the Administrator of the St. Sulpice property—one of the largest estates in the Dominion.

It would seem a far cry from legal work and administering the property of the St. Sulpice Seminary to railways. The Labelle and Armstrong families have been closely identified with Canadian transportation. His grandfather, Chief Justice Armstrong, was the first president of the Montreal and Sorel Railway, while his father, the late A. Labelle, was one of the builders. Two of his uncles, Ferguson and de Ligny Armstrong, played prominent parts in the construction of the old Intercolonial Railway.

In reminiscing on the family interest in railways, "J. E." recalled that his family has been associated with the building of practically every railway in Quebec. "This has not always been fortunate," he remarked, "for we lost most of our money in these enterprises."

First Train Journey

Asked when he first became interested in railways, he replied: "I think it was when I was about six or seven years of age. At that time I made my first journey," and, with a smile, added, "I traveled on a pass."

It was forty years later that Edouard Labelle became a director of the Canadian National Railways, which had absorbed the small Montreal and Sorel line established by his grandfather.

Knows Railway Problems

With his appointment to the board in 1931, he secured an insight into the many problems confronting the railway administrator. He saw at first hand the difficulties in appeasing all sections served by the company, and the necessity for tact and a firm hand.

As the French-Canadian member of the board many Quebec matters concerning the railway were turned over to him for attention. In this connection there is a story illustrating his tact in handling matters which, in themselves small, involve a principle of far-reaching importance and consequence.

Training in Tact

Once in the course of cutting down expenses, one of the C.N.R. committees decided that a small station in Quebec was not paying its way. The position of the station agent was not warranted by the volume of the business. It was felt the needs of the community could be looked after by the station caretaker, thus cutting down the payroll at that point from $145 to $15 monthly.

The recommendation was put into effect. Not long after a committee made up of the mayor and prominent men of the community appeared in Montreal, demanding the agent be reinstated. Their petition could not be dismissed without a hearing and the railway officials turned to Labelle to set matters straight.

The committee marched from the C.N.R. headquarters on McGill Street to Labelle's office on Craig Street. The mayor again presented the demand of the townsfolk for the reinstatement of the agent.

"How did you come here? By train?" was the first question put to the delegation by Mr. Labelle, after friendly salutations.

"Oh, no, we came by automobile," was the reply.

"You are all men engaged in the dairy business," said Labelle, who knew of them personally. "And may I ask how do you ship your milk to market?"

Again the reply "by automobile," and Labelle continued:

"And no one in the parish has died during the past year, so I presume no one has used the telegraph?

"You see you are not providing the railway with any business. It is not fair that you should ask us to keep an agent at your station."

This view of the railway situation had not occurred to the delegation. Labelle's patience in explaining the reason for the company's action was satisfactory and the group left for home feeling that the C.N.R. had not treated them so badly after all.

Takes Obligations Seriously

For three years Mr. Labelle served on the board of the Canadian National Railways. And of that time, he says:

"I never missed a meeting of the executive committee or the board. I took my duties seriously, knowing that the railway problem was one of the greatest we had and it was up to me to do my part."

It is this trait—serious acceptance of responsibility—which has characterized all of Labelle's work. He is a busy man, but he does not accept a position for the honor.

Economy and Co-operation

From his experience in legal and trust work and directorships in several industrial corporations, he places economy and co-operation as two of the more important factors in the upbuilding of a successful enterprise.

"Extravagance has been all too prevalent in our private and business life. We must economize. There are many ways in which we can reduce expenses without impairing service. In the last four years we have learned many things were unnecessary for our well-being. We have been able to bring about economies, but we are far from having exhausted the possibilities of further savings.

"Co-operation," he continued, "is an essential for success. There are few things we do which do not affect some person or group. It is essential that one give consideration to all factors. It is not necessary to ride rough-shod over those in opposition. Their claims may be sounder than your own and it is only by getting the other fellow's slant or in explaining the reasons for your own action that one can bring about the co-operatin that will be best for all concerned."

Labelle's administrative capacity has resulted in many calls on his services. In his new position of trustee for the C.N.R. he will have opportunities to bring into full play all those qualities which have brought him to the front among French-Canadians.

French Canadian Rail Trustee

J. E. LABELLE —Caricature by Cecil.

Ship Flour to Orient

Flour shipments from the Port of Vancouver for the first nine months of the calendar year showed an increase of 250,000 barrels over the same period in 1932, according to R. H. Arnott, Industrial Secretary of the Vancouver Board of Trade.

Railway Earnings

Railway Earnings

Week End Jan. 7:	1934	1933	Increase
	$	$	$
C. N. R.	2,359,693	2,000,014	359,679

Province of Ontario

Province of Ontario Guaranteed

(Issued by Hydro-Electric Power Commission)

4¾% Bonds due January 1st, 1970

Price: 100 and interest, to yield 4.75%

These bonds are unconditionally guaranteed by the Province of Ontario and are also a direct obligation of the Ontario Hydro-Electric Power Commission.

Orders may be telephoned or telegraphed at our expense.

Wood, Gundy & Company Limited

Telephone ELgin 4321 *36 King St. West Toronto*

Montreal Tramways Make New Wage Pact

From Our Own Correspondent

MONTREAL.—Montreal Tramways Co. and its employees have come to a mutual agreement whereby the maximum working week is cut to 54 hours. Hitherto older employees had insisted on their seniority rights to work from 60 to 65 and even to 70 hours per week, which made conditions difficult for third class workers, or "spare" men.

Negotiations between the company and representatives of the men resulted in a new arrangement under which no employee of the company could work more than 54 hours a week. Secondly it was decided that those who have the right to work from 45 to 54 hours a week in exercise of seniority rights, must work such hours within a period of six days instead of on a basis of a seven-day week. Spare men are not to work more than 42 hours within a period of seven days.

Shawinigan Power Sales Register Healthy Increase

From Our Own Correspondent

MONTREAL.—Shawinigan's power sales for 1933 will show an increase of about 19 per cent over those of the previous year, according to a statement made by Julian C. Smith, president of Shawinigan Water and Power Co.

Much of this increase was realized during the latter part of the year, says Mr. Smith, who went on to say:

"The betterment of conditions is pretty well diversified, for there are indications of better things not only in the paper industry, but in asbestos and general manufacturing in the province of Quebec.

"The improvement has been steady and, so far as we can see, it is continuing, thus giving us a right to look for further gradual improvement, combining an increase in manufacturing and the employment of labor, for these two go hand in hand."

Abitibi Power & Paper Company, Limited

TORONTO, ONT.

Owning and operating mills at

Beaupré, Que. — Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. — Iroquois Falls, Ont.
Espanola, Ont. — Smooth Rock Falls, Ont.
Pine Falls, Man. — Fort William, Ont.

Daily Capacity 2,200 Tons Newsprint

Groundwood Pulp — News Sulphite Pulp

High Grade Bleached Sulphite Pulp

GEORGE F. HARDY

Consulting Engineer

305-309 Broadway, New York City, N.Y.

Member

Amer. Soc. C.E. Amer. Soc. M.E. Eng. Inst. Can.

Consultation Reports Valuations Estimates — Paper and Pulp Mills Hydro-Electric and Steam Power Plants Plans and Specifications

J. S. Mitchell & Company LIMITED

Geo. W. Murphy — *Vice-Pres. and General Manager*

Wholesale and Retail

Shelf and Heavy Hardware, Asbestos and Galvanized Roofing, Plumbing Supplies

Specializing in Mining, Mill and Contractors Supplies

Steam Coal, Hard Coal and Coke, Electric Supplies, Sporting Goods

78-80 Wellington St. North - SHERBROOKE, QUE.

National Steel Car Corporation Limited

Builders of Passenger Cars — Freight Cars — Street Cars — Air Dump and Industrial Cars of all descriptions. Automobile Chassis Frames, Woodwork and Parts — Steel Pressings — Forgings — Drop Forgings.

HAMILTON, ONTARIO, CANADA

621 St. James Street, MONTREAL, QUE.

STEEL STRUCTURES
PLATE & TANK WORK
CAISSONS, BARGES
RAILWAY & HIGHWAY BRIDGES
SWING & BASCULE SPANS
COAL & ORE BRIDGES

Hydraulic Regulating Gates and Operating Machinery

Liftlocks, Turntables, Electric and Hand Power Cranes

Gear Cutting, General Machine Work, Forgings

DOMINION BRIDGE COMPANY LIMITED

HEAD OFFICE - LACHINE (MONTREAL) QUE.

BRANCH OFFICES AND WORKS:
MONTREAL OTTAWA WINNIPEG VANCOUVER
AMHERST TORONTO CALGARY

AGENCIES: EDMONTON REGINA

News of Investment Markets

BOND MARKETS START NEW YEAR IN STRONG RISE

Western Provincials Recovered Part of Recent Losses

Canadian bond markets started the new year strong and active and kept up the pace to Jan. 9. Gilt-edged issues were steady or higher each day. Western provincial issues gained a half to two points in the week, but were still below their levels of early December and November, when the market for these issues first started to weaken. Corporation and utility issues were also firm and active in the week. Even real estate issues showed more confident bids.

The rise in western issues represents a further recovery from recent lows. Weakness in these issues started late in October when the news of the poor 1933 crop took effect. Later the decline was accentuated by talk of refunding and airing of the financial weaknesses of the provinces. Comparative prices are shown below:

Bid Prices for Representative Western Provincial Bonds

	Jan. 8	Dec. 4	Nov. 13
*Alta. 4½'s '56	82	82½	87½
*Alta. 6's '47	87	87½	102½
*B. C. 4½'s '53	82	84	87½
B. C. 6's '47	96	96	101¼
*Man. 5's '59	87	88	92
Man. 6's '47	96	96	101
*Sask. 5's '59	84½	87½	89¾
Sask. 6's '52	93	95½	100

*Payable in Canada and U. S.

Gilt-Edged Bonds

Gilt-edged issues improved to the point where New Brunswick was able to sell $799,000 of 20-year 5's at a cost of 5.08 per cent. This is a higher rate than was prevalent three months ago, but is considered comparatively good in view of the unsettled market that has prevailed for the past month. It is the first important sale since November. Another indication of the market's strength was the re-offering of Nova Scotia 4½'s, due 1945, which had first been issued in November, and on which the sale became very slow when the market slumped badly in that month.

Declining yields, indicating advancing prices, are shown below:

Average Yield on Seven High Grade Canadian Bonds

	%		%
Jan. 9	4.459	Jan. 2	4.517
Jan. 8	4.453	Dec. 30	4.536
Jan. 6	4.455	Dec. 16	4.557
Jan. 5	4.469	Nov. 30	4.451
Jan. 4	4.478	Oct. 31	4.420
Jan. 3	4.484	Sept. 30	4.459

Wide gains were recorded in some corporation and utility issues. C. P. R. convertible 6's of 1942 put on a show, at one time dropping below par and recovering to 101 bid. A spectacular advance carried Manitoba Power 5½'s of 1951 up seven points to 39 on the bid side. Other gains in active issues included a rise of 3½ points to 80 on the bid side for Gatineau 5's of 1956; an advance of three points to 84 in Shawinigan 5's of 1970; a gain of 3½ points to 78½ for Famous Players 6's of 1948 and advances of three points in Howard Smith 5½'s of 1953, Massey-Harris 5's of 1947 and Simpsons 5½'s of 1949. The last company benefitted from an active Christmas shopping season.

Municipal financing was at a standstill. Spread of defaults in Ontario and Quebec, and annual elections in eastern Canada tended to keep interest at a low ebb.

DOMINION STORES SALES REACH PEAK

December Improvement is Marked; Sales For 1933 12.6 p.c. Under 1932

Sales by Dominion Stores, Ltd., showed a marked gain in the four weeks ended December 30 and at $1,665,435 set a monthly high for 1933. Gain over sales in the preceding four-week period was $165,000 the largest gain made by the company for at least two years. Decline from December, 1932, sales was only $71,920, or 4.14 per cent, the smallest decline to be registered in any period of the past year from the sales volume of the corresponding period of 1932.

Sales for the 12 months ended December 30 total $19,758,368, a drop of 12.59 per cent from the sales total of $22,604,297 registered in 1932. Part of this reduction is due to the closing of the less profitable units and in December the company had 31 fewer stores than were operated in December, 1932. In September, 1933, 54 fewer stores were in operation.

Sales by four-week periods during 1933 and 1932 have been reported as follows:

Four week period ending	1933	1932	Dec. %
Jan. 28	1,398,267	1,749,931	20.10
Feb. 25	1,501,638	1,857,574	19.16
Mar. 25	1,555,614	1,885,675	17.50
April 22	1,505,418	1,795,015	16.13
May 20	1,554,037	1,772,487	12.29
June 17	1,584,054	1,742,883	9.11
July 15	1,512,522	1,690,551	10.53
Aug. 12	1,432,003	1,642,125	12.44
Sept. 9	1,470,398	1,594,898	7.81
Oct. 7	1,569,470	1,755,770	10.61
Nov. 4	1,590,051	1,681,058	5.40
Dec. 2	1,599,061	1,676,626	4.63
Dec. 30	1,665,435	1,737,355	4.14
52 weeks	19,758,368	22,604,297	12.59

Macassa Mines Offers Cash To Small United Investors

United Kirkland Mines has announced that Macassa Mines offers the privilege of exchange of shares to United Kirkland shareholders on the basis of ten United Kirkland for one Macassa until January 31, 1934.

E. E. Read, president of United Kirkland, recommends shareholders to make the exchange as he believes it to be an equitable basis.

Macassa Mines, realizing that shareholders with less than 100 shares of United Kirkland are in a disadvantageous position in making an exchange by reason of the fact that the Macassa shares received in return represent less than board lots of the stock on the market, has arranged that these small shareholders may turn their shares over to Macassa Mines and receive cash rather than the equivalent number of Macassa shares. The basis of the cash settlement will be the closing price of Macassa shares on the day the shares are tendered for exchange.

Majestic Radio Acquires Assets Of Consolidated

Rogers-Majestic Corp., through its wholly-owned subsidiary Canadian Radio Corp., has purchased certain assets of Consolidated Industries Ltd. and its subsidiaries held by the Bank of Montreal, according to an official statement made to The Financial Post. Further statement will be made by Rogers-Majestic Corp. about February 15. The amount paid for these assets and their description is not stated.

The plant of Consolidated Industries Ltd. is being retained at least temporarily and Hardware and Metal understands that Rogers-Majestic Corp., through its subsidiary, may continue the manufacture of the Norge electric refrigerator and a line of washing machines formerly manufactured by Consolidated Industries Ltd. with A. L. Ainsworth, vice-president of Consolidated Industries Ltd. in charge. It is understood that DeForest radio sets will be manufactured in the Rogers-Majestic plant to which the remaining head office staff of Consolidated Industries Ltd. will be moved on February 15. The Consolidated Industries lines of electric clocks and electric ironers may be discontinued.

The extent to which Consolidated Industries Ltd. can meet its liabilities to creditors other than the bank remains uncertain. As indicated in The Financial Post last week the equity of the shareholders of the company appears to be negligible.

NEWFOUNDLAND CONVERSION PLAN MADE EFFECTIVE

Paying Some Loans—Ask Exchange of Others — Scheme Incomplete

Newfoundland is putting into effect the provisions of the recently completed arrangement with Great Britain for revision of the Island's debt structure. The Newfoundland Department of Finance has given notice that the 5½ per cent Prosperity Loan of 1932, due 1947, will be redeemed on June 30, 1934. This loan was obtained chiefly from Imperial Oil Ltd., and secured on a petroleum monopoly.

Further instructions have been given regarding four per cent debentures issued in 1909, 1910 and 1911. The full interest due Jan. 1, 1934, is being paid on these, and principal will also be paid off upon presentation of the bonds up to Mar. 31 next. The amount of these three loans is $854,750.

Convert 5's and 5½'s

Holders of Newfoundland 5 and 5½ per cent bonds are advised that they must exchange these for sterling bonds of £100 each between Jan. 1 and March 31, 1934. Otherwise interest will not be paid, and so some coupons have been returned to the depositors. The Bank of Montreal is the paying agent and the agent for exchanges of the issues. Holders of the inscribed five per cent stock, issued 1923, are exempted from this conversion provision. The interest payable on the new sterling securities, into which the present 5 and 5½ per cent issues must be exchanged, is three per cent from July 1, 1933, according to official advice.

Information Incomplete

Definite information is lacking on what is being done with certain four per cent loans, and the 6½ per cent loan of 1921, the conversion scheme is apparently being put into full effect. The plan also calls for redemption of the four per cent loan of 1895, due 1935, for which sinking funds sufficient to cover most of the amount have accumulated. Present 3 and 3½ per cent loans are apparently being left outstanding.

Stop and Shop Sales Increased Throughout '33

In the last ten months of 1933 Stop & Shop, Ltd., made an increase in sales in every four-week period, and during the 44 weeks under review the total increase amounted to 4.21 per cent. The latest report reads as follows:

Four Weeks Ended	1933	1932	Increase
March 25	$505,851	$492,308	$13,543
April 22	508,300	484,857	23,443
May 20	503,041	475,905	27,136
June 17	466,365	449,182	17,183
July 15	423,454	402,227	21,227
August 12	438,290	410,906	27,384
September 9	395,059	379,243	15,816
October 7	466,864	464,758	2,106
November 4	464,554	460,967	3,587
December 1	492,637	464,394	28,243
December 30	523,280	495,440	27,840
	5,136,908	4,929,400	207,508

St. Lawrence Traffic Up

A total of 3,270 pilot journeys between Father Point and Quebec and vice versa were made by 51 pilots during the 1933 season of navigation. This year's total showed an increase of 292 over the previous season.

Bond Sales

New Brunswick

Province of New Brunswick has sold $799,000 of five per cent, 20-year debentures to a syndicate headed by Dominion Securities Corp. at 99.01, a cost basis to the province of approximately 5.08 per cent. Bids were:

Syndicate:	Bid
Dom. Secs., Wood, Gundy, A. E. Ames, Royal Bk., Bk. of Montreal	99.01
R. A. Daly, Midland Secs., Griffis Fair & M.	98.85
Bell, Gouinlock; Fry, Mills, Spence; McLeod, Young, Weir	98.67
Royal Secs., Harrison & Co.	98.54
Syndicate:	**Bid**
Dom. Secs., Bk. of Montreal, A. E. Ames & Co., Wood, Gundy & Co., Royal Bk., Eastern Secs.	99.01
Bell, Gouinlock & Co., McLeod, Young, Weir & Co., Fry, Mills, Spence & Co., and syndicate	98.85
Bell Gouinlock & Co., Fry, Mills, Spence & Co., T. M. Bell & Co., J. M. Robinson	98.67
Royal Secs., McTaggart, H. R. & Co., Hanson Bros., Harrison & Co.	98.54

BREWING CORP. ASKS WIPING OUT PREF. ARREARS

Earnings Higher in 1933, Net Loss Lower, Prospects Bright

Though Brewing Corp. shareholders will be more interested in current proposals of directors for giving up the right to arrears in dividends in return for future advantages, their interest will be whetted by the fact that the annual financial statement for the year ended October 31, 1933, shows operating earnings to have been higher and net loss lower. They will also note that, by reason of their decision to permit reduction of stated capital by $1,105,702, the company is able to replace on its balance sheet a former accumulated deficit of $805,702 with a surplus balance carried forward of $76,200. Working capital was improved.

CONS. INCOME AND SURPLUS ACCT.

	Yr. end. Oct. 31 1933 $	10 mos. Oct. 31 1932 $
Earn from oper.	1,348,133	1,248,977
Less: Dom., prov. & munic. taxes	1,210,172	1,217,958
Profit before depr., etc.	137,961	31,019
Less: Deprec.	292,107	284,212
Bank & other int.	68,404	56,212
Prelim. & incorp. exps. w/o	......	5,631
Net oper. loss	222,550	315,036
Less: Misc. income	3,020	481
Add: Dom. inc. tax	......	4,518
Net loss for year	219,530	319,073
Appropriations: Less: Minority int.	1,280	9,962
Deficit for year	218,250	309,111
Add: Prev. deficit	805,702	496,591
Divd arrears	5,550	......
Total deficit	1,029,502	......
Less red. in cap.	1,105,702	......
Balance	76,200	*805,702

*Deficit.

Expects Freer Sale

The tremendous toll taken by taxes is demonstrated clearly in the foregoing table. The increase in operating earnings was made in the face of the fact that the volume of sales of beer declined more than 10 per cent in 1933 from 1932 and 40 per cent since 1929 and in face of the fact also that the company operated at 16 per cent of capacity in common with the industry as a whole.

E. P. Taylor, president and general manager, in the course of his report to shareholders points out three elements which may affect future operations profoundly. The element of greatest importance is the expectation that "popular demand is destined shortly to bring about amendments to the Ontario Liquor Control Act which will enable the people of Ontario to purchase your company's products more conveniently than at present." Mr. Taylor believes that this will greatly augment sales by breweries through discouraging home brew and permitting sale at lower prices in hotels and restaurants. He believes that there will have to be greater consolidation in the industry before the industry can get the benefits which will flow from the new regulations as to sale to be approved at the coming session of the Ontario Legislature.

Looking to Mergers

This recognition that there would be advantage in securing a merger of all the large concerns into about two large companies is the reason for the proposal going forward to shareholders that they relinquish their rights to dividends on the preferred stock even though these have not been paid since April 1, 1931. In return for extinguishing dividend rights to June 30, 1934, the dividend rate from that time will be increased from $2.50 to $3 a share per annum and the perpetual conversion right privilege increased so that the shares can be exchanged for 2½ common shares instead of two common shares as at present.

The existence of deferred dividends would only complicate unduly and perhaps prevent realization of merger plans being talked of in the industry. The board expresses the opinion that the increased dividend and the conversion privileges together will eventually be worth much more to shareholders than the arrears which they are asked to cancel. As the company's undoubtedly good prospects, in the event of new laws for beer sale being more convenient than the old, depend on large companies in the industry coming to an understanding or merging into two large corporations the argument advanced to shareholders is that they would be helping their own interests by agreeing to the new change suggested.

The second element of importance in the company's future may take some years to realize: Peerless Corp. at Cleveland is just completing a large modern brewery of 200,000 barrels capacity. Brewing Corp. received 25,000 shares in return for the right of Peerless to use its trademarks and names in the United States. Investment in Cosgrave Breweries was increased during the year. All tax arrears have been liquidated.

Working capital is better as shown by the following table:

Working Capital

	1933 $	1932 $
Current assets	1,317,277	1,393,769
Current liabilities	605,957	932,196
Working capital	711,320	461,573
Ratio	2.18—1	1.50—1

Cash and investments are higher at $43,761 and $104,389 respectively. Accounts and bills receivable at $189,284 are down. Bank loans have been materially reduced from $498,169, to $294,725 and accounts payable from $434,027 to $311,232.

Mr. Taylor states that the first half of the year resulted in heavy losses, a profit being shown in the last half of the year. During the year the company sold £75,000 of 7 per cent guaranteed debentures in England, improving working capital. Agreement with holders of serial 5 per cent notes resulted in dropping of serial feature and the setting of a final maturity date on April 1, 1936. They now stand at $450,000.

Investment Notes

Significant Investors' Index Numbers

1926 = 100

	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
No. of Securities:	19	8	5	4	9	19	8	93	19	118
1929-33:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	201.4	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	66.5	27.3	44.0	30.5	38.6
Monthly Figures, 1933:										
January	49.5	3.3	41.1	93.6	36.8	82.9	34.0	59.6	44.6	50.5
February	44.4	3.6	39.7	86.5	33.6	80.2	31.6	56.3	38.6	46.6
March	44.8	2.3	37.8	86.7	32.2	78.6	36.0	57.3	38.2	46.6
April	48.6	2.7	44.3	98.1	31.2	85.3	37.8	67.5	38.5	52.0
May	65.5	3.8	60.9	122.4	45.7	105.1	63.2	85.8	47.2	64.7
June	83.0	6.4	70.3	141.6	55.2	118.2	106.4	103.6	58.8	76.1
July	98.1	8.4	79.1	156.6	60.0	139.1	164.3	118.3	58.5	85.0
August	91.2	7.6	76.4	147.6	59.1	126.8	152.1	113.3	53.9	80.3
September	84.8	7.3	73.0	150.4	61.6	121.0	159.4	115.1	50.7	80.2
October	72.4	6.0	70.8	128.7	58.2	111.5	127.5	100.1	45.9	71.5
November	75.2	5.7	70.0	150.0	57.3	114.2	127.7	109.6	45.2	75.5
December	75.8	5.2	65.6	138.6	55.2	113.1	140.3	107.6	45.2	74.2
Weekly Figures, 1934:										
Jan. 4	72.1	.3	60.3	126.6	44.2	100.3	148.5	96.4	38.9	66.9

*High and low of years from 1929 to 1933 inclusive are based on weekly figures. In 1933 index numbers are given monthly for the twelve months and then weekly. Compiled from figures issued by Dominion Bureau of Statistics. See also Stock Market Indicator on page one.

Hinde & Dauch Paper

HINDE & DAUCH PAPER CO. of Canada Ltd. had higher earnings in 1933 than in any year since 1929 despite the low level of prices on its products. The annual statement will be published late in January and will show bond interest earned by a good margin after full provision for depreciation. After provision for taxes it is probable that the report will show earnings of over 20 cents per share on the 299,933 shares of common stock outstanding. In 1928 the company earned $1.76 per share; in 1929, 64 cents per share; in 1930, 2½ cents; while in 1931 and 1932 bond interest was not covered.

During the past year more bonds were retired and working capital was strengthened still further. Improvement in price on liner board would materially aid the company as well as the entire industry but there is no evidence that an increase will be effected in the near future.

* * *

Western Breweries Deficit

WESTERN BREWERIES annual statement reports a deficiency of $160,546 on the 1933 operations after paying bond interest of $31,868 and transferring $80,717 to depreciation, $25,000 to the reserve for bad and doubtful debts and $80,903 to write down inventory value of bottles, cases, casks and other materials on hand. Before bond interest net operating profits were $57,942. Bondholders agreed during the year to a deferment of bond interest due July 1, 1933 and January 1, 1934.

Reductions are reported as having been made in operating expenses. Current liabilities were reduced from $319,441 to $204,298.

Sales were down for the year. Dominion and provincial gallonage and sales taxes amounted to $200,000.

Canada's Foreign Stake Shows Increase in 1933

Business Year Book Estimate Reveals Gain of $56,000,000 in Past Year — Total Now Almost Two Billion

By KENNETH W. TAYLOR, M.A.
Associate Professor of Economics, McMaster University

Canadian investments abroad are estimated to have increased by $56,400,000 during 1933, and now stand at $1,924,700,000, according to the annual survey made for The Financial Post Business Year Book. The principal increase has been in the foreign balances of the chartered banks which have increased from $11,600,000 at the end of 1932 to $40,000,000 at the end of 1933.

At the end of January, 1933, foreign liabilities actually exceeded foreign assets by a very small amount. The present balance of $40,000,000 is still unusually low.

New Direct Investments Made

No new foreign issues were offered in Canada in 1933, but a number of new direct investments were made. Canadian breweries, distilleries and wineries purchased, built or expanded their plants in the United States to the value of about $4,500,000. The George Weston Co. acquired control of a large Scottish biscuit business. Moderate sized blocks of South African, New Guinea and Australian gold mining shares were brought into and sold in Canada.

The following table summarizes these changes:

Changes in Canadian Investments Abroad, 1933
(In thousands of dollars)

	Total $	Great Britain $	United States $	Other Countries $
Increase in Govt. loans & balances	2,500	1,500	......	1,000
Increase in bank balances	28,400	5,500	17,400	5,500
Purchases of securities (net)	23,300	3,400	16,800	3,100
New direct investments	5,200	250	4,400	550
Total increases	59,400	10,650	38,600	10,150
Decrease in Govt. balances	2,000	......	2,000	......
Decrease in direct investments	1,000	......	......	1,000
Net change, 1933	56,400	10,650	36,600	9,150

Insurance Account Looms Large

The next table itemizes Canadian investments abroad. It should be noted in this connection that against this item "Securities held by Insurance Companies" there is a large offsetting liability. These foreign securities owned by Canadian insurance companies are largely held as reserves against their non-Canadian business. Similarly large amounts of Canadian bonds owned by British and American insurance companies are included in the foreign investments in Canada, and against these should be set the liabilities of their Canadian business.

Canadian Investments Abroad, January 1, 1934
(In thousands of dollars)

	Total $	Great Britain $	United States $	Other Countries $
Govt. credits and balances	68,500	2,000	35,000	31,500
Foreign balances of chartered banks	40,000	8,000	24,000	8,000
Securities held by banks	106,000	34,000	40,000	32,000
Securities held by insur. companies	525,000	37,500	332,500	155,000
Direct industrial investments	357,200	1,750	156,900	198,550
Miscellaneous	828,000	12,000	525,000	291,000
Total, 1934	1,924,700	95,250	1,113,400	716,050
1933	1,868,300	84,600	1,076,800	706,900
1932	1,873,500	88,900	1,077,400	707,200
1931	1,881,310	84,826	1,047,285	699,198
1930	1,781,345	80,874	1,021,855	678,616
1929	1,739,207	94,383	987,165	657,638
1928	1,579,074	131,915	874,626	572,543
1927	1,330,586	118,479	723,328	488,779
1926	1,139,415	124,246	626,255	388,914

Newfoundland Oil Monopoly May Continue

Arrangements for the British Government paying off Newfoundland loan by a guaranteed issue of its own does not necessarily mean that the oil sale monopoly granted Imperial Oil under the old issue will end. The commission's report on the affairs of Newfoundland stated that though the company financed the Government in a time of necessity it had taken no advantage of the monopoly granted it to get a larger profit from consumers. The idea that a monopoly is wrong in principle and should be abandoned when convenient was, however, stated by the commission.

The British Government advisers on Newfoundland affairs, however, face the situation that the arrangement is an excellent one to secure the revenue needed to meet service of the loan. As far as Imperial Oil is concerned it is understood to take the same attitude as it did at the time the monopoly was granted: that is, that it does not desire a monopoly in view of the fact that it has a virtual monopoly already by reason of its established facilities and the price situation it has maintained but that it is ready to co-operate in any reasonable way.

It is quite ready to keep its investment intact when changing over for British Government bonds, to continue the monopoly arrangement to facilitate collection of revenue or to abandon it. It does not believe that its interests are affected by either outcome.

HIGHER PRICES FOR HARDWARE

Glass, Paints and Pipe Increase Thought Likely

Window glass distributors have made some adjustments in the list prices in use under the box or case list, and dealer discounts from that list have been changed, bringing in most sizes, an advance in net prices. The discount from the pane list has also been revised, says Hardware & Metal, Toronto.

Indications have been received from at least one paint manufacturer that an advance in price is to be made effective in his products on March 1, 1934, and that market conditions between now and then will decide how extensive the change is to be. Raw material costs are said to have been on the increase, and brought a firmer market in finished products. Manufacturers have advanced their prices on pipe fittings, and a new retail schedule of discounts from list prices will be issued shortly, states Hardware and Metal, Toronto.

Eastview, Ottawa Suburb, Defaults But May Pay Soon

Town of Eastview, Ont., a suburb of Ottawa, did not pay principal of maturing debentures on Dec. 31, 1933, it is understood. It is reported that the town may be able to make arrangements to meet the defaulted payment at an early date. Eastview has a population of approximately 6,500, and at Dec. 31, 1932, had total funded debt of $605,842.

Tax collections in 1933 are understood to have amounted to slightly less than 70 per cent of the year's levy, and to this is attributed the present difficulties. At present the town is reported to have a bank loan of about $13,000, against which are deposits of $6,000; and there is said also to be other debt of approximately $30,000 on account of unfunded expenditures for new construction. Eastview is a residential suburb of Ottawa consisting chiefly of workmen's dwellings. There are few industries in the area.

C. W. LINDSAY LIQUID STATUS HOLDS STRONG

Seasonal Upswing in Sales Less Than Expected

RETIRE OBLIGATIONS

Management Make Further Reduction in Issued Preferred Stock and Bonds

From Our Own Correspondent

MONTREAL.—Sales returns of C. W. Lindsay & Co., distributors of musical instruments and electrical appliances in Montreal, Quebec, Ottawa and Kingston, were not particularly satisfactory during 1933. The usual upswing in sales toward the end of the year was not as pronounced as was experienced in other lines. The company handles what is generally classified as luxury products and the public demand for such is still dragging, though the improvement in sales of staple lines holds some encouragement for a return to better conditions.

The relatively poor sales returns for the past will be reflected in the financial statement for the fiscal year ending next month. During the fiscal year 1933 the company reported a loss of $96,277. It is impossible to say yet whether or not the showing for 1934 will be better, as much will depend upon the turnover in January and February.

From reports tabulated for the first ten months, however, it is unlikely that the final figures for the full year will reflect any marked change in earning power.

Trade Paper Sound

Much of this company's business is done on a deferred payment basis. At the end of last February the company's outstanding "paper" totalled $1,074,424 after setting up a reserve of $71,726 for cancellations. As this represents about two-thirds of the company's current assets, the liquidity of accounts receivable has an important bearing on working capital position.

Lindsay has always adopted a very conservative policy on its deferred payment sales. Its losses have been especially small and those accounts carried on the books are considered first class risks. Particular care is taken to see that all payments are kept up to date, so that losses have been reduced to a small fraction of one per cent.

Strong Liquid Position

Due to the close adherence of policies relating to deferred payments the company has maintained its strong liquid position. At the close of the last fiscal year Lindsay's had $1,600,000 of current assets, of which about $400,000 was in cash or high grade bonds, nearly $1,100,000 in accounts receivable and the balance in inventories.

At present the company has nearly $500,000 in cash, call loans, Dominion of Canada and high grade debentures.

Reduce Own Obligations

Due to its liquid position Lindsay's has been able to take advantage of the opportunities presented to make favorable purchases of its own first mortgage bonds and preferred stock.

On February 28, 1933, the company had outstanding $900,000 of first mortgage bonds compared with an original issue of $1,200,000. Since that time another $100,000 of bonds has been bought in, bringing the amount issued down to $800,000.

Similar progress has been made with the preferred stock. The original issue of $1,200,000 was reduced to $589,500 at the end of last February and is now down to approximately $500,000.

Redemption of the mortgage bonds and preferred stock has been accomplished without impairing the liquid position or working capital of the company.

Still Face Problems

While the financial position has been improved, the management are confronted with numerous problems over which it has little control. Lack of buying on the part of the public is a major problem which will be solved only by a general improvement in business conditions.

Knowing that their business was a luxury one and that some time might elapse before buying power was restored, the management took precautions to conserve the company's resources.

In March, 1932, dividends on the common stock, which hitherto had amounted to $1 a share, were discontinued. The preferred dividend continued to be paid out of surplus earnings, but in March last year this payment also was deferred. The latter stock carries a cumulative feature and at the end of the current fiscal year dividends will be in arrears to the extent of only $6.50 a share.

B. C. Exports Grow

Out of a total of 109,381,783 feet of lumber shipped for export from the whole of the Pacific Coast in October, British Columbia shipped 69,063,880 feet, according to a report of R. H. Arnott, Industrial Secretary of the Vancouver Board of Trade. The heaviest movement was to the United Kingdom, amounting to 27,181,319 feet from British Columbia mills.

HUMAN NATURE

No man can be expected to give greater attention to other people's business than to his own—the other man's business must be of secondary consideration. Through a Trust Company an Estate receives the thoughtful management which only experience and specialization can ensure.

MONTREAL TRUST COMPANY
61 Yonge St., Toronto
J. F. HOBKIRK, Manager

Niagara Falls To Ask Ontario Supervision

Council of Niagara Falls, Ont., has decided to ask the Ontario Municipal Board to appoint supervisors to take charge of the finances of the defaulting city. A creditor comments to The Financial Post: "By taking such proper action, the city removes the stigma of default." The council passed a resolution to ask for supervisors by five to three.

Niagara Falls defaulted on principal of debentures maturing Dec. 1. Tax collections have not been satisfactory, it is understood, and the city found itself unable to meet funded debt charge and relief costs.

Prior to passing of the resolution, proposals had been made by bondholders to arrange private control of the city's finances. The city turned down these suggestions, preferring to go under supervision by provincial authorities rather than by private interests.

KELVINATOR HAS IMPROVED CASH, REDUCED LOSSES

Cuts Operating Costs by 42 p.c. — British Business Profitable

Sharp reduction of 42 per cent in both gross operating profit and in operating expenses enabled Kelvinator of Canada Ltd., to reduce loss in the year ended September 30, 1933, to $32,647 from the loss of $58,482 shown in 1932. Drastic liquidation of inventories was effected which placed the company in the most liquid position in its history while working capital was maintained at practically the 1932 figure although ratio of current assets to current liabilities was up to 6 to 1 from 5.19 to 1 in 1932.

The consolidated statement includes earnings of Kelvinator Ltd. of London, Eng., which produced a substantial net profit and for which good business is predicted in the current year. The consolidated income and surplus account is as follows:

CONS. INCOME AND SURPLUS ACCOUNT
Years Ended September 30

	1933 $	1932 $
Gross profit	378,529	653,447
Less: Oper. exp.	399,098	689,161
Other chgs.	......	22,768
Inc. tax res.	13,627	......
Net profit†	*34,196	*58,482
Add other inc.	1,549	......
Surplus for year	*32,647	*58,482
Add: Prev. surp.	12,726	75,597
Pref. stk. disc.	......	690
Pref. div. refunded by U. S. co.	......	11,585
Less: Exch. adj.‡	21,072	15,798
Inc. tax adj.	......	1,866
Balance forward	1,151	12,726

†After depreciation and income tax reserve.
*Deficit or loss.
‡Loss on conversion of subsidiary co.'s balance sheet from sterling to dollars.

Through liquidation of inventories cash has been increased to $188,507 from $84,052; inventories are down to $200,903 from $368,536 and accounts receivable up to $148,534 from $106,333. Accounts payable have been increased to $65,216 from 57,037 but amount owing Kelvinator Corp., Detroit, is down to $3,382 from 45,748. Reserve for British and Canadian income taxes is shown at $14,927 and provision for guaranteed services on units sold retail is $9,109. Working capital, position is as follows:

Working Capital

	1933 $	1932 $
Current assets	537,943	558,921
Current liabilities	89,251	107,790
Working capital	448,692	451,131
Ratio	6.02—1	5.19—1

Land, buildings, machinery, etc., are carried at $147,388 after reserve for depreciation as compared with $160,126 in 1932. Factory supplies, tools, deferred charges and travellers expenses are carried at $16,033. Among liabilities there is shown $74,678 owing Kelvinator Corp., of Detroit, for shares purchased in anticipation of sinking fund requirements up to February 15, 1937. This is a deferred liability payable in three equal installments. During the past fiscal year there was retired 1,280 shares of $100 par value preference stock which leaves $496,000 of preferred outstanding on which dividends have been paid by the parent company. There remain outstanding 100,000 shares of common stock; capital surplus is up to $85,322 from $32,000 but surplus is down to $1,151 from $12,726.

PRAISE AND BLAME GIVEN MR. BENNETT FOR TITLE AWARDS

Some Call Disregard of 1919 Ban Flouting Parliament

Press comment in Canada on awarding of titles to Canadians by His Majesty for the first time in 15 years shows that enthusiasm for titles themselves is limited. The list of recipients of New Year's honors, particularly the women, received wide approval.

Mr. Bennett's action in arranging new titles comes in for adverse, non-committal and favorable comment. The editors' remarks are concerned chiefly with whether Mr. Bennett acted wisely or properly in advising His Majesty to make the awards. Western papers were generally opposed to the principle of titles.

Comment in various newspapers follows. Perhaps the most significant feature is that no editor really got red in the face in making his comments. Opposition came primarily from newspapers on the other side of the political fence.

The Edmonton Journal sees nothing wrong with the names, but says, "the Bennett government has left itself open to the charge of flouting representative institutions by acting as it has now done." The Toronto Globe similarly stated, "Canadians who may have been startled by resumption of the conferring of titles upon citizens of the Dominion will, in some measure, be reassured by a reading of the names of those honored. . . . there will be wonderment and speculation as to why the decision of 1919 has been overridden."

Criticizes Mr. Bennett

The Winnipeg Free Press ran a cartoon disparaging the titles policy, and said: "Mr. Bennett's case is open to criticism, but its main weakness is that it is purely technical. . . . He did not attempt to defend, on grounds of public interest, his disregard of a parliamentary decision which for fourteen years has been accepted as a correct statement of Canadian public opinion."

The Regina Leader-Post, in two editorials, approves the list, but not the principle: "There will, we think, be few objections to the names selected at this time for honor in Canada. . . . Mr. Bennett appears to have made a worth while selection."

"Although a former House had requested His Majesty to confer no more titles in Canada, Mr. Bennett sets up a new practice without consulting Parliament or the people. In other words, Mr. Bennett, on an issue that was not in existence when Mr. Bennett was elected, has decided that he is the PEOPLE."

The Lethbridge Herald comments: "The Herald doesn't favor the return of the old title system, but it is going to be fair enough to say that the list for which Mr. Bennett and the Government at Ottawa are responsible, is creditable, and will moderate the protest of many people who are opposed to the conferring of titles in a democratic country such as Canada."

Gazette Pleased

But in Canada's largest city, the Montreal Gazette commented on the resolution of 1919: "Canada, for the time being, at any rate, has broken away from the consequences of this bumptious manifestation of demagogic conceit, and there is nothing in the present circumstances to suggest a return to the abuses which gave so much offense in other years."

The Ottawa Citizen takes a middle course: "It is a profoundly wise provision in the British constitution, and in the Canadian, that the King can do no wrong. His Majesty's advisers in Canada must be held responsible for advice given on revival of titles," while its contemporary in the Capital, The Journal, is enthusiastic: "Premier Bennett, in taking the course he has taken, and in recommending for honors those he did recommend—has acted with common sense and courage. . . . for courage shown in ending a condition creditable to neither our good manners nor to our common sense, he is deserving of the warm thanks of the country."

Toronto Papers

The Toronto Telegram is dubious: "Without questioning the title to recognition of the services of those who have been thus honored, the departure which has been made will evoke little enthusiasm . . . it will be regarded as the thin edge of the wedge by those who are opposed to the creation of artificial distinctions among the citizens of this country." And the Toronto Star thinks it all high-handed: "Mr. Bennett knows that he could not carry a resolution favoring titles through this parliament. He acts without it, knowing that this is his last chance for a vainglorious display."

Bonds for Investment

WILLIAMS, PARTRIDGE & ANGUS
LIMITED
14 King St. East - - - Toronto.
Toronto Montreal Hamilton Quebec Ottawa

We are pleased to announce that
MR. A. L. A. RICHARDSON
Who has been associated with us for the past 9 years,
has been admitted to partnership in our firm.

DICKSON, JOLLIFFE & COMPANY
Members Toronto Stock Exchange
80 KING STREET WEST TORONTO
Adelaide 7461

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Provincial	Date Sold	—Sold to—	Rate	Due	Amount	Price	Yield
New Brunswick	Jan.	Dominion Securities and Syndicate	5%	20-yr.	$799,000	99.01	5.08%

The Financial Post

Member Audit Bureau of Circulations

President—JOHN BAYNE MACLEAN
Vice-President—HORACE T. HUNTER
Editor—FLOYD S. CHALMERS
Business Manager—D. M. GOWDY

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

The Financial Post Has the Largest Paid Circulation of Any Canadian Financial Paper.

The detailed circulation statement we submit is the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A.B.C. inspection.

ADVERTISING RATES

Single Insertion—$3.65 per inch.
Debenture and Dividend Notices—26c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE

Canada, United States, Mexico, British Empire, $5.00 per year; all other countries, $6.00.

Published by
THE MACLEAN PUBLISHING CO. LIMITED
481 University Ave., Toronto 2

MONTREAL, Southam Building, Murray R. Chipman, Eastern Manager: John E. Langdon, Eastern Editor, GT. BRITAIN, London, The MacLean Co. of Great Britain, Ltd., 2, 3 and 4 Cockspur St., London, S.W. 1, E. J. Dodd, Director, Telegraphic address Atabek, Lesquare, London.

THE FINANCIAL POST BUSINESS YEAR BOOK. Yearly, $2.
THE FINANCIAL POST SURVEY OF CORPORATE SECURITIES. Yearly, $2.
THE FINANCIAL POST SURVEY OF MINES. Yearly $2.
THE FINANCIAL POST RECORD OF PROSPECTUSES. Half yearly, $7 per volume.
THE FINANCIAL POST CORPORATION SERVICE. $20 monthly. Special prices for selected part service.
DIRECTORY OF CANADIAN DIRECTORS AND OFFICIALS. Yearly, $10.

TORONTO, JANUARY 13, 1934

LET CENTRAL BANK CHIEFS BE CANADIANS

WHEN Parliament grapples with the problem of setting up a Central Bank for Canada—assuming it does not reject the recommendations of the Macmillan Commission—the Government should give the public some assurance that the bank will be headed by a Canadian.

There is a long list of failures in the record of Canadian institutions managed by outside people with an inadequate understanding of Canadian psychology and problems.

It may be argued that a knowledge of central banking operations is essential in the equipment of our new central bank governor, and that Canada has no central banking experts. A knowledge of Canadian problems and Canadian business methods is even more essential. Technical central banking knowledge can be had through the employment of advisory experts.

But for governor of the bank and for positions on the directorate Canadians should insist on men who know Canada from living and working here.

DOMINION CABINET IS NOT JUDICIAL BODY

ANNOUNCEMENT that the cabinet proposes to hear an appeal taken from the Tariff Board's decision on jute twines is of major interest to business men.

It will be recalled that a Montreal importer appealed to the Board last October, asking that the arbitrary valuation on jute twines imported under the British preferential tariff be revoked. This is but one of a dozen similar valuations. The Board, sitting as the Customs Appeal Board ruled on October 30 that the amendment to the Customs Act put through Parliament in the fall of 1932 made all these valuations illegal. Therefore, the appeal was granted.

Doon Twines, Ltd., of Kitchener, filed an appeal to the cabinet and, in the meantime, the Department of National Revenue ignored the Tariff Board decision. Last Friday night the National Revenue Department announced that the cabinet would hear the appeal.

This announcement, on its face, indicates that the cabinet is prepared to review all decisions made by the Tariff Board in its capacity as a court of appeal to which decisions of the National Revenue Department may be carried. In its other capacities, the Tariff Board, of course, is purely an advisory body, reporting to the government.

If the government intends to reopen the jute twine case, hear all the evidence, listen to legal argument, the effect will be twofold:

The prestige of the Tariff Board will be seriously impaired and an element of politics (entirely absent under the Board) will be introduced into the purely administrative phase of tariff administration. And, further, the cabinet will shoulder a mass of work which, having regard to the present burdens of government, will be insupportable.

The capacity of a cabinet to sit as a court of appeal is open to grave doubt. Past experience strongly indicates that the activities of a ministry cannot be divorced from politics. There is the well known case of the Railway Act. Under this statute the Railway Commission is given complete control over freight rates, rail services, etc., but there are two forms of appeal. In matters of law there is an appeal to the Supreme Court of Canada; in matters of fact there is an appeal to the cabinet.

There have been several appeals to the cabinet in the past decade and in every case there has either been an absence of action or a decision which savored unduly of politics. It will be recalled that the Railway Commission in the early twenties delivered a judgment setting aside the Crow's Nest Pass agreement. An agitation, in which several Western ministers were strongly suspected of playing a leading part, was immediately launched to have an appeal lodged with the cabinet. This was done and when the cabinet heard the appeal the entire proceedings, including the final decision, were political and not judicial. The Commission was over-ruled and in Western school houses Liberal orators took full credit for the performance. As a result of this decision it became the accepted thing for sections of the country to launch appeals for favorable freight rates, using political influence instead of statutory enactments to gain their ends. Fortunately the Bennett Government has succeeded in establishing the supremacy of the Railway Commission in matters of freight rates; it should be as jealous of the prestige of the Tariff Board it has set up.

If the cabinet now proposes to take on the job of supreme arbiter in the enforcement of tariff law, a new sphere of political influence and activity will be opened and one of the most valuable benefits of the Tariff Board will be nullified.

The Government has the sole right, and properly so, of initiating tariff legislation. Parliament has the sole right of enacting it. But once enacted the tariff should be enforced according to the law, without fear or favor. If Parliament made a mistake in judging the true meaning of the Customs Act amendment of 1932, Parliament should retrace its steps by a further amendment. And meantime the law should be enforced to the letter. And the final decision in matters of enforcement should rest with a judicial, non-partisan body, such as the Tariff Board.

SPENDING BILLIONS TO BRING PROSPERITY

PRESIDENT ROOSEVELT has named the sum that the United States is prepared to spend to buy prosperity. Until June, 1935, the government will spend billions each year more than it will take in. In addition to the ordinary outlay for governmental purposes, further billions will be spent to further the recovery programme of trade. By the middle of 1935 ten billions will have been added to the public debt. Then the government goes on a pay-as-you-go basis. Apparently the President anticipates that by the middle of 1935 he will have had delivered to him the recovery that he is ready to buy at such a high price, for he speaks of a continuing reduction in the national debt in the subsequent years.

It is an interesting experiment. No nation in history has ever brought itself out of the depths of depression by prodigality and extravagance. No nation has achieved a strong financial position by deliberately pursuing policies that normally lead to insolvency. No nation has ever gotten wealthy simply by spending.

Notable is the fact that the President has fixed a limit beyond which the nation must not spend.

So far in the depression we have been more prodigal than Uncle Sam has been. At the moment we are not planning public expenditures on as large a scale as he is now planning them. But we have fixed no date at which our national income and expenditure, including relief charges and railway deficits must balance.

MAY BE HARD TO TAKE

CAN the new trustees of the Canadian National Railways solve the railway problem? If they can find a way to operate the Canadian National Railways on a vastly reduced scale of expenditures they will pave the way for that problem's ultimate solution. In such an achievement would be found the greatest single contribution that could be made to the reduction of the taxes that bear so heavily upon the citizens of Canada.

That National Railway expenditures can be reduced by sizeable proportions is beyond doubt. Adequate co-operation with the C.P.R. may provide the most effective source for saving. If the two railways work together, the shareholders' C.P.R. as well as the taxpayers' C.N.R. may be saved as great and solvent institutions. The C.P.R. has been waiting for this chance to co-operate with its rival in their mutual and the national interests. But during the past year, there has been little opportunity for joint action on economy. There was no one at the C.N.R. with continuing authority to take decisive action.

The government has given the new board a free hand. The public must stand behind the three commissioners, must be prepared to swallow a few bitter pills of community and sectional losses for the larger good. Let this be clearly understood. The National Railways cannot be made prosperous without cutting down on expenditures. And some one has to make a sacrifice every time expenditures are reduced by a single dollar.

If the politicians and the public will not take the medicine that will have to be administered the present sickness will continue.

CREDIT AND PROSPERITY

EVEN Dictator Stalin recognizes the absolute necessity of maintaining a nation's credit if it is to prosper. In his New York Times interview with Walter Duranty, the Soviet Communist chief said:

> "I know it is not customary to pay debts nowadays, but we do it. Other nations 'renig' on their debts but the Union of Socialist Soviet Republics does not renig . . . Confidence, as every one knows, is the basis of credit. . . . The volume of our trade must be measured by the degree of confidence."

A few sceptics may question Stalin's sincerity. Others will question Russia's ability to pay all of its obligations as they mature. But there can be no legitimate doubts expressed as to the soundness of the Stalin statement. The nation or the province or the city, whose credit standing is called in question, will suffer not only in its ability to raise capital but in every phase of its economic life.

The rapidly spreading contagion of debt default among Canadian municipalities is ominous. The inability of some of our provinces to borrow from any source except the Dominion treasury is not to be regarded with equanimity by citizens of those provinces. And the mounting burden of Dominion debt and the meagreness of the efforts to check that advance are matters to arouse genuine concern in the minds of Canadian people.

Our public credit depends upon confidence of lenders in our ability to repay. If we continue to borrow too freely that confidence will be lost. If it is lost every phase of our commercial and public life will be adversely affected.

SILLY PROPOSAL TO BAR EXPORTS OF NICKEL

CANADIANS have reason to remember the horrors of war and are in a mood to listen to any proposal that might avoid another holocaust. Some well-meaning folk see a preventative for war in barring the export of nickel, reasoning that modern warfare could not be fought without it. The propaganda for a nickel embargo started with an Oxford professor who made the proposal in a coast-to-coast broadcast.

But while Canada dominates in production of the metal, nickel is one of the most plentiful of metals and is widely scattered over the earth's surface. To bar its export from Canada would merely stimulate production from now idle deposits elsewhere. Further, it would be utterly impossible to control the ultimate destination of Canadian nickel or wholly to bar it from armament uses while employing it for its present widespread peace time industrial and domestic uses.

The armament business consumed the major part of the production of nickel before 1921. Then International Nickel Co. started its great research campaign to further the peace time uses for the metal. Now, domestic and industrial uses account for over 85 per cent of the production.

So successful has been the application of nickel to peaceful uses that it is now much more vital to peace time industry than it ever was as a war necessity.

The Sudbury, Ontario, deposit of nickel accounts for between 85 and 90 per cent of the world's nickel production, not because it is the only commercial deposit of the metal but because it is the most economic deposit known on this continent, which consumes the majority of the Canadian production. The Sudbury deposit stands out as important because it is the closest to the large manufacturing and nickel consuming centres in the United States. On the west shore of Hudson Bay has been found a high grade nickel deposit of unknown dimensions, while in British Columbia another deposit is known. Norway has important deposits of nickel as have Finland, Greece and New Caledonia. The production from these foreign mines is small; small because of the economic situation relative to the large consuming centres. Prior to the development of the Sudbury deposit, the New Caledonia nickel deposits were exploited extensively, but shipping costs give it secondary importance today. Even so, the New Caledonia output is sufficient to supply the entire world armament requirements for nickel if Canadian nickel were to be made unavailable for munitions use.

Alarmists see in greatly increased exports of nickel from Canada to Europe a potential menace, whereas actual figures show that 1933 European exports increased over 1932 by a smaller percentage than exports to the United States, with the tonnage going to continental Europe small indeed as compared with the United States importations.

Germany, itself, is a home of nickel. Indeed, it was from the mines in Saxony the metal obtained its name. The worthless slag resulting from the attempts to smelt the copper ore caused the superstitious miners to call the ore "kupfernickel" after "Old Nick," who was charged with plaguing the miners and bewitching the ore. These deposits are not commercial in competition with Sudbury ore, but during the World War they were worked.

Nickel has proved itself valuable in alloys for munition purposes, but there are literally dozens of competitive alloys which impart comparable characteristics to iron, steel and other munitions metals. The reason that nickel is used is that it is a most economical metal. Placing an embargo on its exportation would only serve to cripple the great nickel industry that exists in Canada today without in any sense mitigating the dangers of war.

Every loyal Canadian seeks to prevent war, but to consider a nickel embargo as the panacea against war is senseless patter devoid of a true knowledge of the governing factors.

EDITORIAL NOTES

The No. 1 problem of 1934: reducing public expenditures.

* * *

New taxation in the United States menaces Canada. It may put ideas in the heads of some of our own public treasurers.

Post-Scripts

AN UNOBTRUSIVE visitor in Toronto last week was one of the higher up financial advisers of the president of the U.S.A. While here he set $8 as the limit to which the pound sterling might go this year. But this week comes news that London has refused to effect a loose stabilization agreement around $4.87, telling the Americans that the pound is grossly overvalued in American dollars at present levels.

If Washington thinks the pound is worth $8 and London thinks it is worth less than $4.87, one or other is wrong. He is a shrewd business man indeed who can guess which it is.

EIGHT hundred United States marines share with "light yaller" politicians and benevolent, hard working Catholic priests dominance over the lives of two and a half million blacks in fascinating Haiti. The marines won't be there for long. Two weeks ago President Roosevelt said: "The maintenance of Constitutional government in other nations is not a sacred obligation devolving upon the United States alone." Americans in Haiti, listening in on their radios, knew that the President meant that if the people of Haiti were willing to be looted by their politicians it was none of Uncle Sam's business, although it might be the business of all western hemisphere countries jointly. But the United States will continue its financial administration of Haiti until American investors are repaid the $12,000,000 of Haiti bonds they now hold. The financial administration is there by treaty right. However, it is noted that on January 1 it became a "fiscal agency" and therefore theoretically Haitian.

Listeners were shrewd enough to discern something back of the startlingly new non-intervention policy of the United States. What the United States has done in Haiti and Nicaragua differs little from what Japan has done in Manchuria, at least superficially. Diplomatic notes from Washington to Tokyo brought polite shrugging gestures in reference to the countries of the Caribbean. So Uncle Sam is determined to remove the mote from his own eye.

DAVID SIM, newly-appointed Commissioner of Excise at Ottawa was born at Glasgow, emigrated to Canada in 1911. His family settled at Kitchener, where Dave grew up. He graduated from Collegiate in 1915 and promptly joined the army at 16 years of age.

His post-war activities included a job with the Bank of Nova Scotia and a secretarial position with the Waterloo Trust Co., at Kitchener, where he became acquainted with Hon. W. D. Euler, member for the county and later to be minister of National Revenue. In 1927 he came to Ottawa as Mr. Euler's secretary.

For the reason that he was an active Liberal, it was generally expected that the incoming Conservative Government would not give him a post of responsibility. But his knowledge of the National Revenue Department and his capacity were such that Hon. E. B. Ryckman, after keeping him on a few weeks, offered him the permanent position of private secretary, which he accepted.

Mr. Ryckman's health was never good and for long periods Mr. Bennett was the acting minister. This brought Mr. Sim into close contact with the Prime Minister. His ability and his conscientious attention to his work won the confidence of Mr. Bennett and his promotion now comes as no surprise to those who have been in close touch with events at Ottawa in recent years.

Sayings of the Week

"I am by nature faithful."—*Queen Marie of Roumania.*

* * *

"I am eager to learn from others."—*Professor Irving Fisher, Yale University.*

* * *

"Easy things are for stupid people."—*Guilio Gatti-Casazza, director, Metropolitan Opera.*

* * *

"I am willing to talk to everyone."—*Guilio Gatti-Casazza, director, Metropolitan Opera.*

* * *

"An American faces a crisis with greater courage than a European."—*Sir Norman Angell.*

* * *

"Our relief costs are far too high."—*A. A. MacKenzie, chairman, Alberta relief commission.*

* * *

"The big things have been done and will be done by persons over 40 years of age."—*Henry Ford.*

* * *

"In political life, you must understand, every pilot dies before he comes to port."—*André Maurois.*

* * *

"World conferences, like world fairs, have become back numbers."—*Luigi Villari, Italian historian.*

* * *

"It is the enduring sentimentality about war which is the great enemy of peace."—*A. A. Milne.*

* * *

"We are creeping out of the depression."—*F. W. Law, president of the American Bankers' Association.*

* * *

"Every man will have to work for his relief."—*A. A. MacKenzie, chairman, Alberta relief commission.*

* * *

"The future as regards effective force and wealth, belongs to large countries not yet full of people."—*Dean Inge.*

* * *

"The Liberal party has been doomed time after time; nevertheless, unless I am a fool it has a future."—*Viscountess Oxford.*

* * *

"Given three requisites — means of existence, reasonable health and an absorbing interest — those years beyond sixty can be made the happiest and most satisfying of a life time." — *Ernest Elmo Calkins.*

New Whisky Language Confronts Investor

United States Volte Face on Prohibition Attracts Capital of Many Unfamiliar With Terms of Industry — Glossary Provided — Perils in New Flotations

Investors in Canada and the United States in very large numbers apparently are convinced that in the return of the United States to "wet" laws there are, temporarily at least, some exceptional opportunities for profit. The majority of them, scanning securities of companies domiciled in both the United States and Canada, find themselves somewhat perplexed by finding the business much more complex than they had deemed it. They see the general situation fairly clearly but are puzzled by references to different kinds of whiskies, gallons, barrels, processes, blends, competing drinks and taxes. This article is designed simply to define the terms of the industry to enable investors to find their way through the voluminous information being given them and the still more voluminous matter likely to come their way with new promotion appeals to the investor in the United States and possibly in Canada as well.

Measures

Proof Spirit. An alcoholic liquor that contains one half its volume as alcohol. This is known as 100 proof. Pure alcohol would be 200 proof. Whisky of 50 per cent alcoholic strength is 100 proof, etc. (In England proof spirit is 57.06 per cent alcohol).

Rectified Spirit. "Commercially pure" alcohol of about 95 per cent purity or 190 proof.

Gallons. When the simple term, "gallon," is used with reference to exports to the United States it usually means the United States liquid gallon of 231 cubic inches.

Imperial gallon. The British and Canadian liquid gallon contains 277.274 cubic inches.

Proof gallon. The equivalent amount of alcoholic liquor that contains one-half its volume of alcohol. For example, 1 gallon of pure alcohol equals 2 proof gallons. 1 gallon of liquor containing 50 per cent of alcohol is equal to 1 proof gallon and is known as 100 proof.

Wine gallon. Ordinary gallon of 231 cubic inches.

Tax gallon. An arbitrary term used by the United States Government in collecting Internal Revenue taxes. The revenue tax on distilled spirits for medicinal purposes is now $1.10 per proof gallon (or per wine gallon if below proof). One gallon of alcoholic liquor of 60 per cent alcohol content (120 proof) represents 1.2 tax gallons. One gallon of 50 per cent (100 proof) or less would be 1 tax gallon. One gallon of 40 per cent (below proof) would be one tax gallon. The war-time beverage revenue tax was $6.40 per proof gallon, or per wine gallon if below proof.

Barrel. When put in storage for maturing, a full barrel of whisky contains 50 gallons. Later reference to "so many barrels" on hand, however, does not mean that the contents are that amount. No deduction is made in record for the losses, during storage, until the whisky is drawn off for bottling. The tax return on the number of gallons of distilled proof spirit is on the basis of 40 gallons per barrel (Revised Statutes 3,300). The tax is payable, however, subject to certain limitations, on the amount of spirits in the barrel when withdrawn.

Kinds of Liquor Defined

Scotch whisky utilizes barley malt almost exclusively and derives its distinct smoky flavor from the smoke of the peat used in curing the malt.

Irish whisky uses more malt than American whiskies but not being peat cured has not a smoky flavor.

American rye whisky is made from rye with malt added to change the starch to sugar.

American bourbon whisky, named after a county in Kentucky, is made chiefly from corn utilizing some malt for starch conversion.

Whiskies known as sweet mash are made with fresh water and yeast.

Whiskies known as sour mash are started with "slop" from prior distillations, a process known as "yeasting back." Modern distilleries use the sweet mash method.

Brandies are produced by the distillation of grape wine, although fermented juices of other fruits are also used to make apple jack, apricot brandy, peach brandy and so on.

Rum is produced directly from cane juice, molasses or the skimmings obtained during the refining of sugar.

Gin is a border line product between distilled liquor and so-called synthetic spirits. **Holland gin** has a distinctive flavor acquired by passing the alcohol vapors through juniper berries or coriander seed during distillation. **London gin** is produced by mixing a distilled flavoring extract with spirits and then redistilling the mixture to combine it.

Blended whiskies, used largely before prohibition in the United States, involved "cutting" of varying amounts of thoroughly aged whisky of high bouquet, with diluted alcohol and sometimes with additional coloring and flavoring.

Chartreuse, Benedictine, Maraschino, Absinthe, Anisette and Creme de Menthe are among the **liqueurs,** which consist of highly rectified alcohol, cane sugar, syrup and flavoring substances obtained from fruits, aromatic herbs, seeds and perfumes.

Whisky, for medicinal purposes in the United States must contain from 44 to 55 per cent of alcohol by volume (88 to 110 proof). It should have a certain content of solid matter and be matured at least four years.

Customs Duties and Terms

"Bottled in Bond." The only whiskies that can be bottled under such a label are those that fall under the classification of whisky for medicinal purposes, blended with other whiskies of similar purity and age and altered only by the addition of water to bring the alcoholic content within specifications. A decision made by President Taft permitted the sale, as "whisky" of any distillate of grain diluted to potable strength. They do not carry the label, "Bottled in Bond."

New Books

"Balances of Payment"

Recent figures concerning the balance of international payments of various countries afford some evidence of the effect of the depreciation of the gold value of currencies upon balances of international accounts (trade in goods and services, gold, long and short term capital transactions). Complete accounts for 1931 and 1932 are available for 18 countries, 9 with stable and 9 with depreciating currencies. The former recorded an active balance on account of goods and services of $288 million in 1931 but a passive balance of $63 million in 1932, while the latter "improved" their balance by $534 million.

Moreover, there are signs that this movement has continued during 1933. In the course of the first nine months of that year, the gold and foreign currency reserves of the central banks in countries with depreciating currencies (not counting the United States) appear to have increased by over $500 million gold, while those of countries with stable currencies fell by a similar amount.

One of the main achievements is the equilibrium which a number of debtor countries have attained in their balance of payments and the ensuing improvement of their credit which has taken place without the help of foreign capital. Many of these countries have been able to convert their outstanding loans (domestic and foreign) and thus alleviate the burden of their debt.

Further details of recent development in international business and capital transactions are contained in the League of Nations publication "Balances of Payments, 1931 and 1932" (191 pages; $1.50) which has just appeared. The volume not only gives a descriptive account of events but also constitutes a valuable source of reference, in fact the only one of its kind. Detailed international accounts are shown for 32 countries over a series of years, in most cases up to 1932 inclusive, and in a comparative table comprising all the countries dollar figures are given for the balances of the main groups of items.

In the Mail

Thinks Gold Standard Dead

Editor, The Financial Post:

In renewing our subscription this year, we commend your independent attitude, though we are not always in agreement with your criticisms.

To our mind the London Chamber of Commerce "Report on Monetary Policy" is the only logical, sensible, workable, and comprehensive contribution that has been made to enable the world in general to come back. A central bank is an absolute necessity for us in this country. The so called "gold standard" is an even deader issue than the mythical dodo, and in its death struggles mightily convulsive. The sooner business men become alive to this fact and realize that we are now struggling in the birth pangs of a new economic era, so much sooner will we realize the day of deliverance.

May you continue the good work and grow better, stronger and more fearless in the New Year.

C. C. DAVIES.

Montreal,
Jan. 3, 1934.

Japanese Textile Exports

Editor, The Financial Post:

I have been a subscriber to your paper for several years, and have admired the honest and independent atttitude which characterizes the work of its staff and correspondents. I also believe that The Post is thoroughly justified in priding itself on its accuracy. Without calling these qualities into question, I should like to suggest that an article by your Montreal correspondent, in your edition of December 16, is perhaps a little less than fair to the Japanese in its discussion of Japanese-Canadian trade.

I am enclosing a clipping from this evening's edition of the Montreal Star, which perhaps throws a little more light on the reason that the Japanese are able to undersell British and Canadian manufacturers of cotton goods. The status of the industry in Japan was thoroughly investigated by a British commission about three years ago, and the facts stated by Mr. Billingsley are well known not only to members of the trade in England, but in the Far East as well.

It may well be that the cotton trade is one which it is wise to protect from Japanese competition. But there is no reason why we should kid ourselves as to the reason that such protection is necessary.

J. F. McINTOSH, M.D.

Montreal,
Jan. 4, 1933.

Editor's Note: In the Montreal Star clipping enclosed by Dr. McIntosh, J. H. Billingsley, labelled as a textile machinery expert from Manchester, is quoted as saying that Japan has the most up-to-date and efficient cotton spinning and weaving machinery in the world.

Other People's Views

Very Doubtful

Toronto Mail and Empire: The University of Toronto is financed by the Ontario Treasury out of revenue collected from the people of this province. It is doubtful if the taxpayers wish their sons and daughters to be primed with arguments in support of the C. C. F. and its eccentricities. President Cody has well said that churches and universities will scarcely do their best work if they leap into the arena of practical politics or active economic and industrial questions.

Buying Prosperity

Hartford (Conn.) Courant: What is unmistakable is that the taxpayers of the nation will be obliged to pay as much and over as long a period of time for recovery from the depression as for the winning of the war. The burden will be heavy, not only upon the present generation, but upon the next.

The gratifying circumstance is that, while some money may be unwisely and perhaps wastefully spent, the people are likely to get more from their expenditures for recovery than for their expenditures for war.

Mankind's War Record

Regina Leader-Post: What a bellicose creature man has been all down through the centuries is strikingly shown by a "table of wars" that has been compiled by someone at Harvard University. It is shown that there have been no fewer than 902 major wars since the year 500 B.C. France has been engaged in more wars than any other country, with 185 major encounters to its "credit." Britain comes second, with 176, and Russia third, with 151. The extent of the World War is illustrated again in the information that it was eight times "greater" than all the other major wars since 500 B.C. rolled into one.

Enter 1934

Edmonton Journal: In an address delivered by Sir Arthur Steel-Maitland during his recent visit to Calgary, he told a story which he applied to the period of time that closes tomorrow night. There was an English head-master who could always be depended upon to give some encouragement to all of his pupils. One of them had had a very bad record and much curiosity was expressed as to what he would be told at the end of the term. "Smith," said the head-master, "at least you have laid the best possible foundation for next year's greatest improvement prize." If 1933 has been disappointing, we can appreciate all the more such changes for the better that its successor brings and there are plenty of indications that these will be of a substantial character.

Wasting Our Money

Montreal Star—Mr. Bennett has told us to tighten our belts and emulate the splendid example of our pioneer forefathers. Sound advice, every word of it. But Parliament, at this coming session, should itself take that advice and show the country how to put it into practice. It certainly should not waste the money it exhorts us to save and pay into the Parliamentary coffers in the form of taxes.

As Others See Us

That Central Bank

St. Catharines Standard—A new angle of attack has been devised against the proposed Central Bank of Canada. The Financial Post started it, and it is taken up by Le Devoir, well-known Nationalist paper of Quebec. "As far as can be judged," the Quebec paper says, "the principle that the majority report of the Macmillan Commission sanctions is to bind the dollar to the pound sterling under the pretense that it is necessary to unify Imperial finance. . . . Whatever may be the reasons which incited Sir Thomas White and Mr. Beaudry Leman to pronounce themselves against the proposed Central Bank their attitude will be assented to by a majority of Canadians who do not desire the creation of another Imperial engine in disguise. Our present banking system may not be perfect, but it will not be improved by the introduction of the principle of a Central Bank, manifestly associated with London."

HART ADVOCATES ONE INCOME TAX

B. C. Finance Minister Would Give All to Provinces — Hopes for Share

From Our Own Correspondent

VANCOUVER. — Imposition of a single income tax for provinces and the federal government alike will be suggested at the premiers' conference in Ottawa by Hon. John Hart, British Columbia's minister of finance.

Mr. Hart believes that the federal government should get out of the income tax business altogether, and leave that field to the provinces exclusively, but he has little hope of persuading Ottawa to concede this at present. He does think, however, that there may be a sympathetic response to his proposal for one tax, to be divided between the provinces and the Dominion on a ratio yet to be worked out.

Mr. Hart would have the income tax administered by a non-political board of three members.

This plan is an old favorite with Mr. Hart. When he was in the cabinet of the late John Oliver as minister of finance he attempted to have such a scheme put in force, but political events prevented much progress being made.

STATES VANCOUVER BUDGET BALANCED

Tax Collections Better Than Anticipated — Kept Bank Loan Down

From Our Own Correspondent

VANCOUVER.—This city will have had a small cash surplus on its books at the end of the 1933 fiscal year according to Ald. G. C. Miller, chairman of the civic finance committee. Collection of taxes, both current and arrears, was considerably better than had been anticipated.

Ald. Miller says that the city has been able to live within its income and has avoided pyramiding of bank borrowings. No provision was made last year for sinking funds, however.

Last year's budget amounted to $15,486,136. In passing it the council set aside a reserve of $750,000 against uncollectable taxes in 1933. This reserve has not been touched during the year.

At that time it was estimated that there would be a 71 per cent collection of current taxes and one-third of arrears. Returns for the year, however, show a revenue of 72 per cent current and 35 per cent arrears.

MORTGAGORS FORM ASSOCIATION IN B.C.

Members Advocate Moratorium on Interest Payments Over 3 p.c.

From Our Own Correspondent

VANCOUVER.—A Mortgagors Protective Association has been organized in Vancouver, with branches in the chief cities of the province. The attitude of the mortgagors is that they should share in any action taken toward scaling down interest charges, as contemplated by the provincial government.

Government action to reduce the wages of money is the objective of the association. The association claims that up to the present time the law has been more on the side of the mortgagee than the mortgagor. The scaling down of interest on international debts is long overdue, the association believes, and a reduction of business obligations is even more necessary.

Some members of the association advocate a moratorium on all interest payments in excess of 3 per cent. Five per cent as the basic rate is favored by others.

Attention to Investment Problems by Mail

Letters from clients asking for information on investment subjects or desiring to buy or sell securities receive prompt and careful attention. Transactions by mail with many of our out-of-town clients have been carried on for years with satisfaction.

A complete investment service is available at any of our branches.

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Vancouver Victoria New York London, Eng.

DOMINION OF CANADA
4% BONDS
Maturing Oct. 15, 1945
yielding 4.38%

CITY OF HAMILTON
4½% BONDS
Maturing May 1, 1952
Price: 96¾ and accrued interest
yielding 4.78%

McLEOD, YOUNG, WEIR & CO.
LIMITED
Metropolitan Building, Toronto
Telephone: Elgin 0161

Montreal — *Telephones: Harbour 8276*; Ottawa — *Queen 878*; London — *Metcalf 1465*; Hamilton — *Regent 0010*

"*Year-End Quotations"

In view of recent and continuing improvement in Canadian corporation earnings and the better outlook for 1934, the present affords a very definite opportunity for investors to reappraise their lists and adopt a policy looking toward the improvement of their investment holdings, either by averaging past purchases or switching to new securities with greater possibilities of enhancement in value.

We have prepared a list of year-end quotations covering a broad selection of Canadian public utility and corporation issues, with suggestions for investments which we believe to be attractive at this time.

*Copies of this *publication will be gladly furnished upon request*

W. C. PITFIELD & COMPANY
LIMITED
80 King Street West TORONTO 'Phone Adelaide 6144
Montreal Ottawa Quebec Saint John Halifax Vancouver London, Eng.

Now that titles have been revived and are being awarded for outstanding achievement

We propose that the Order of Distinction be conferred upon what thousands of smokers agree

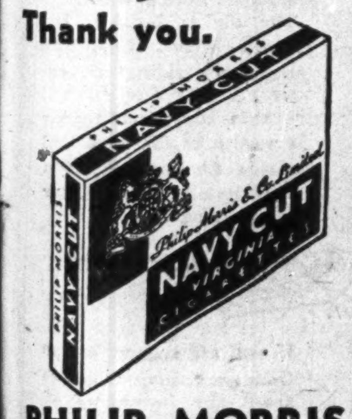
Is the most satisfying cigarette they have ever enjoyed, namely and to wit: Phillip Morris Navy Cut.

As we are essentially democratic we are quite content to leave the decision to the Vox Smokuli. We know full well that they will agree that this milder, cooler, Virginia cigarette

Merits special recognition both because of its high standard of quality and its attractive royal blue and gold package.

Call for Phillip Morris —accept no substitute.

Thank you.



PHILIP MORRIS
NAVY CUT
VIRGINIA CIGARETTES
10 for 10c 25 for 25c
50's tins 50c
PREMIUM CARDS IN EVERY PACKAGE
P39H

Wheat Costs 36.1 Cents

The average cost of growing wheat on 14 different fields at the Experimental Station, Lacombe, in 1933 was 36.1 cents a bushel. The average cost on five fields grown on summer-fallow was 40 cents, on three fields grown on wheat stubble 43 cents, three fields following intertilled crops 24 cents, and three fields following hay sod 36 cents.

The Week in Business

Construction Shows Some Progress

SINCE construction is one of the major industries of this Dominion and normally employs 6.5 per cent of the gainfully employed population, the analysis of the industry published last week by MacLean Building Reports is of wide interest in gauging the outlook and position of this very important activity.

Surveying 1933 it is found that contracts valued at $200,000 or more were only 21 per cent of last year's programme, the balance being made up of small and ordinary type undertakings. The total for the year was placed at $97,290,000 or a decline of 26.7 per cent from 1932. However when this figure is broken down by type of construction it is found that new factory construction during the year showed an actual increase of 16.3 per cent over 1932 and that literally hundreds of small manufacturers have commenced business or expanded during the year. This comment is readily confirmed by The Financial Post weekly compilation of new industries and extensions.

* * *

Residences and Office Space

THEN too residence construction declined only 15.8 per cent in value from 1932 which is taken to augur well for the future. In the face of almost impossible financing conditions, only 329 less homes were built than in the previous year. In commenting further on the residential situation it is noted:

"A more steady demand for properties should influence a loosening of funds for home building. There is unquestionably a potential demand for homes which, if not released gradually will tax both labor and material manufacturers to satisfy it in any one year. The percentage of vacant homes in Toronto, for instance, is not large. It is said to be about two per cent, or half of the normal figure. Local warehousemen report an outpouring of domestic furniture from storage to an extent which leaves them with more vacant space than for years. It has gone somewhere into use.

"Taking Toronto again as an example, from an office space standpoint, it is stated that space is 85 per cent rented. There are 2,500,000 square feet of space represented in the survey. Enquiries from prospective tenants were nil in the earlier months of the year but have become quite active during the past two months."

* * *

Warning on Building Costs

THE most important conclusion is that already the curve of actual construction and contemplated construction has shown a marked upturn even after elimination of the seasonal curve.

In this connection a warning is thrown out in respect of building costs, as follows:

"Those who are holding off from an actual start on their building plans, seeking still lower prices, are advised to proceed as soon as possible. Prices of materials have already risen from the lowest point in March-April last and since July have held steady at about six points higher than the index at that time. The stimulation to come from spring building and government assisted works will be sufficient to definitely dispel any thought of a further decline. Many have already sensed the turn and have profited by proceeding with their work. The index of the rates per hour for labor has again fallen. The preliminary 1933 figure is 157.5, or twenty-one points lower than the 1932 average. This, however, does not present a true picture in so far as construction of a private nature, undertaken last year, is concerned.

"The construction industry, or business as a whole, will only become healthy when it is possible to have a proper reward for services or commodities provided. It is believed that while there are still those who are willing to gamble on uncertain factors and bid too low on the work offering, that the time will soon arrive when these automatically will eliminate themselves from the industry as many others have done already."

* * *

The British Bacon Market

CANADIAN farmers will need to look to their laurels in respect of the British bacon market if the action this week of the U. K. in trading "pigs for liquor" may be taken as a criterion of the future. When Canada was given a magnificent annual quota of 280,000,000 lbs. at the Ottawa conference it was not generally realized that this was a more or less temporary limit to be operative during the time Britain was putting into effect a drastic reorganization of her entire domestic and foreign position in respect of these commodities. Last year Canada shipped 73,000,000 lbs.

In other words there is a distinct probability that if Canada fails to live up to her "quota" either in respect of quality or quantity that our potential market will be pared down and divided among countries such as the United States which are keen to offer valuable trading quid pro quo on their own part. This does not mean that one of the major provisions of the Ottawa conference is in jeopardy as far as Canada is concerned, but it does mean that the "open sesame" to the British bacon trade is only there in so far as Canada demonstrates her ability to serve and cater to it.

Trade Composition Industry Expands in 1932

Value of products of the trade composition industry declined to $609,539 in 1932 from $627,953 in 1931, although the number of establishments increased to 31 from 28 and capital invested was up to $915,842 from $742,382. This industry includes all firms whose principal business consists in linotype, monotype or hand composition for the printing trade.

A total of 280 employees was engaged in the industry in 1932, an increase of 44 over the previous year. Wages and salaries likewise increased from $383,083 to $397,918.

A Correction

MONTREAL.—In the announcement of the formation of the investment banking firm of Cornell, Macgillivray Ltd., of Halifax, mention was made that Mr. Macgillivray was formerly superintendent of the Canadian Bank of Commerce in the Maritimes and Newfoundland. This was in error. It was Mr. Macgillivray's father who occupied that position.

Business Conditions in Canada

Carloadings Gain Well In Last Half of 1933; Truck Competition Felt

Weekly Record at End of Year 17 Per Cent Ahead of 1932 — Coke, Ore, Pulp and Paper, Pulpwood and Lumber Best

After a very poor start in the first six months of 1933 weekly carloadings of revenue freight on Canadian railways finished the year at a level substantially ahead of the corresponding figure of the previous year according to a survey made by The Financial Post Business Year Book.

Until the first week of June, revenue carloadings were running at from 15 to 25 per cent below the same figure of 1932, the survey shows. From that time forward however the spread narrowed and by the beginning of July a sharp increase was noted so that for the first time since 1929, the weekly figures started to show gains as compared with the same week in the previous year. This gain continued throughout the entire year with the exception of a five-week period in September when losses were again occasioned due to the very light movement of wheat as compared with the heavy crop of a year ago.

Weekly Gain 17 Per Cent

By the end of the year the weekly increases had risen to as high as 17 per cent above the corresponding figure of the previous year. Total loadings for the year were 6.5 per cent below the corresponding total for 1932.

Truck Competition Felt

Analyzed by type of merchandise carried, the Business Year Book survey shows important changes. Thus for the whole of Canada the trend ranges from a loss for the year of 15 per cent in grain loadings to a gain of that amount in the coke figures. Besides grain, the only other groups to show a net loss for the year as compared with 1932, are merchandise and l.c.l. loadings which are lower by almost 10 per cent, and miscellaneous carloadings which are down 13.5 per cent.

There are two important factors to account for this failure of merchandise and l.c.l. freight to respond as quickly to improved conditions as the other types of revenue freight. One is undoubtedly the severe inroads of motor truck competition which are a comparatively new phenomena whose significance in the steam railway scheme of things has not yet been accurately measured. The other is the fact that as conditions improve the proportion of less-than-carload shipments to carload shipments will decrease as manufacturers and shippers increase the volume of their sales. Consequently there is reason to believe that merchandise loadings will not improve as rapidly as carload freight.

Many Big Gains

Among the gains (in addition to coke) an impressive showing is made by ore, pulp and paper, pulpwood, and lumber—all of which shows gains of from 10 to 15 per cent over the 1932 total. These figures are for all Canada. Divided as between Eastern and Western Canada the figures show interesting changes, with all loadings in the East being lower than 1932 by 4.7 per cent and in the West by 9.3 per cent due to the predominance of grain in that area. The sharpest gains in the two areas are the movement of ore in Eastern Canada which is 44 per cent above the 1932 level and of pulpwood in the Western area which showed a 49.7 per cent gain over 1932.

Comparative figures for both divisions and all Canada according to leadings groups, follow:

	1933	% Change 1932-1933	1932	1931	1930
Eastern Division					
Grain	84,395	—16.7	101,344	115,413	128,862
Livestock	30,395	—0.5	30,542	34,997	43,778
Coal	179,327	+9.2	164,196	183,686	222,950
Coke	27,442	+18.9	23,077	23,290	23,512
Lumber	45,768	+12.1	40,804	67,216	95,803
Pulpwood	45,584	+9.1	41,793	66,656	109,894
Pulp and paper	71,252	+10.3	64,579	85,557	101,012
Other forest products	32,351	—0.8	32,638	39,582	57,970
Ore	17,427	+44.2	12,083	23,925	48,446
Merchandise and L.c.l.	443,037	—10.8	496,738	576,746	644,224
Miscellaneous	301,689	—9.7	334,226	467,765	573,988
Total	1,278,667	—4.7	1,342,020	1,684,833	2,050,434
Western Division:					
Grain	240,114	—14.3	280,491	267,725	276,191
Livestock	42,768	+7.7	39,723	44,637	42,269
Coal	86,597	—5.1	91,246	82,051	103,021
Coke	3,412	—0.8	3,728	3,165	4,115
Lumber	19,970	+12.6	17,733	27,019	42,461
Pulpwood	2,495	+49.7	1,667	6,977	19,122
Pulp and paper	7,530	+5.9	7,111	9,014	12,923
Other forest products	50,306	+10.1	45,689	50,175	74,511
Ore	29,256	+2.0	28,688	31,439	50,076
Merchandise and L.c.l.	167,192	—7.2	180,246	195,040	252,619
Miscellaneous	103,850	—2.3	134,745	173,375	216,747
Total	753,490	—9.3	831,067	890,617	1,094,055
All Canada:					
Grain	324,509	—15.0	381,835	383,138	405,053
Livestock	73,163	+4.1	70,265	79,634	86,042
Coal	265,924	+4.1	255,442	265,737	325,971
Coke	30,854	+15.1	26,805	26,455	27,627
Lumber	65,738	+12.3	58,537	94,235	138,264
Pulpwood	48,079	+10.6	43,460	73,633	129,016
Pulp and paper	78,782	+9.9	71,690	94,571	113,935
Other forest products	82,657	+5.5	78,327	89,757	132,481
Ore	46,683	+14.5	40,771	55,364	98,522
Merchandise and L.c.l.	610,229	—9.8	676,984	771,786	896,843
Miscellaneous	405,539	—13.5	468,971	641,140	790,735
Total	2,032,157	—6.5	2,173,087	2,575,450	3,144,489

Industrial Construction Showed Gain During 1933

Industrial building was the only type of construction to show improvement during 1933 over the 1932 total. Declines in volume of residential, business and engineering construction contracts awarded were responsible for a drop of 26.78 per cent in the amount of building in 1933 compared with 1932. According to figures compiled by MacLean Building Review contracts awarded for residential building were down by 17.1 per cent; for business purposes, 33.3 per cent and for engineering projects, 33 per cent.

Contracts awarded for engineering projects accounted for 39 per cent of all contracts awarded in 1933; business ranked next with 27 per cent and residential next with 24.6 per cent. The greatest decline from the 1932 level of activity was in dams and wharves while the building of schools, public institutions such as hospitals, public buildings, etc., were all over 50 per cent below the 1932 volume. The building of warehouses showed an increase of 21.2 per cent causing the increase in industrial building.

According to the MacLean Building Review the downward trend in construction was halted during the latter half of 1933 after a continuous descent since 1930. Indications of an increase in industrial building in 1934 are noted while it is stated that there is a potential demand for homes, which, if not released gradually, will tax both labor and material manufacturers to satisfy in any one year.

Construction contracts awarded in Canada during 1933 and 1932 according to classification have been compiled by MacLean Building Review as follows:

Comparison of Construction Contracts Awarded in Canada, by Classification (000 omitted)

	1933 Value $	1932 Value $	1933 change from 1932 %
Apartments	904	1,536	—41.3
Residences	23,026	27,357	—15.8
Total residential	23,930	28,893	—17.1
Churches	2,052	2,737	—25.0
Public garages	1,881	2,945	—36.0
Hospitals	1,880	3,986	—52.9
Hotels & clubs	1,295	1,437	— 9.9
Office buildings	1,096	3,198	—65.7
Public buildings	2,784	8,174	—65.9
Schools	5,391	6,750	—62.2
Stores	3,630	4,742	—23.4
Theatres	483	663	—27.3
Warehouses	5,784	4,772	+21.2
Total business	26,276	39,399	—33.3
Total industrial	9,102	7,820	+16.3
Bridges	6,316	7,675	—17.7
Dams & wharves	628	2,778	—77.6
Sewers & wat'm'ns	5,577	10,638	—47.6
Roads & streets	16,510	20,019	—17.5
Gen. engineering	8,951	15,650	—42.5
Total engineering	37,982	56,760	—33.0
Grand total	97,290	132,872	—26.8

Alberta Mines More Coal

Province of Alberta mined 4,870,648 tons of coal in 1932, according to the final figures—an increase of 6.7 per cent above the preceding year's output.

Commodity Prices

Commodity Prices at Wholesale‡

	Week ending Jan. 6	Previous week	Same week last yr.
Cattle, cwt.§	$6.25	$6.00	$4.25
Copper, lb.	.08¼	.08¼	.05
Cotton, lb.	.1075	.1030	.0625
Rubber, lb.	.0888	.09	.0320
Sugar, raw, lb.	.0320	.0315	.0280
Silk, lb.	1.42½	1.40	1.52½
Wheat (Man.) bu.‡	.62⅝	.61⅛	.44½
Hides, lb.	.10	.09½	.05½
Coffee, lb.	.08½	.08⅝	.08½
Weekly Indices♦			
N. Y. Annalist■	102.4	101.2	83.8
Fishers*	71.8	71.4	†62.0
N. Y. Journal of Comm.	71.9	71.9	55.6
Crumps (Brit.)°	63.6	63.4	†62.4
Can. (D.B.S.)▲	84.8	85.3	....
U. S. Labor*	70.8	70.4	62.2

†Average, 1932. ■Week to Jan. 2. ▲Dec. 9. *Dec. 30. *Dec. 30. §Dec. 28. ‡Jan. 8. °Dec. 16.

Monthly Indices♦

Canada (D.B.S.)	Latest w'sale	Prev. month	Same month last year
W'sale (Dec.)	69.0	68.7	....
Retail (Nov.)	78.1	77.9	79.9
U. S. Labor (Nov.)	71.7	71.2	63.9
Gt. Brit.* (Oct.)	69.2	69.6	68.2

♦N. Y. Annalist base, 1913, others 1926 = 100.

*Board of Trade Index, converted from 1913 base.

‡Basis of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price, Toronto: copper—electrolytic, New York; silk—Japanese, 13-15, New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1933	1932	Cumulative Jan. 1 to date 1933	1932
Transportation—				
Car loadings (Dec. 30)	29,360	25,071	2,032,157	2,173,087
C. P. R. gross earn. (Dec. 31)	$ 2,921,000	$ 2,776,000	$ 112,428,000	$ 121,715,000
C. N. R. gross earn. (Dec. 21)	$ 2,817,254	$ 2,710,347	$ 140,081,927	$ 151,683,289
Monthly				
C. P. R. net earn. (Nov.)	$ 3,585,809	$ 3,324,291	$ 17,615,707	$ 17,779,235
C. N. R. net earn. (Nov.)	$ 1,548,099	$ 736,600	$ 4,998,057	$ 6,031,155
Iron and Steel—				
Pig iron, tons (Nov.)	29,592	14,149	190,464	117,099
Steel, tons (Nov.)	43,099	37,088	358,424	312,033
Automobile prod. No. (Nov.)	2,291	2,204	62,662	58,677
Auto Vehicles—				
Passenger, sales, No. (Oct.)	1,606	1,312	37,779	36,893
Trucks & buses, sales, No. (October)	496	412	5,271	6,748
Auto. exports, No. (Nov.)	1,786	1,486	19,243	11,890
Construction—				
Building permits (Nov.)	$ 1,609,874	$ 2,553,378	$ 19,653,928	$ 40,750,142
Contracts (December)	$ 8,207,600	$ 4,190,000	$ 97,289,800	$ 132,872,400
Newsprint—				
Production, tons (Nov.)	193,718	161,334	1,833,419	1,774,188
Exports, tons (Nov.)	162,292	153,568	1,652,462	1,689,765
Sugar—				
Imports, raw, lbs. (Nov.)	22,383,200	26,055,200	474,243,200	652,264,500
Melt. & ship., lbs.*	94,458,214	78,707,156	732,568,448	816,652,149
Manufactured, lbs.*	139,000,893	122,456,630	824,909,160	894,944,537
Flour—				
Production, bbls. (Nov.)	1,827,340	1,942,844	12,916,177	13,455,365
Wheat flour exp., bbls. (Dec.)	418,183	492,033	5,570,136	5,131,781
Other Industrial Indices—				
Lumbering: Plank & board exports, mill, ft. (Nov.)	102.88	46.37	919.38	636.51
Boots and shoes, pr. (Nov.)	1,371,263	1,361,334	18,276,487	16,901,154
Petroleum, imp., crude gal. (November)	91,761,448	51,705,764	789,422,732	857,034,459
Cotton, imp., raw, lbs. (November)	19,058,000	15,376,000	99,895,192	83,537,000
Rubber, raw, imp. lbs. (Nov.)	4,392,000	3,568,000	39,311,451	44,745,675
Coal, imports, tons' (Nov.)	1,424,603	1,508,202	10,578,293	10,779,792
Gasoline sales, gals. (Sept.)	61,620,000	63,441,000	379,947,000	389,889,000
Trade—				
Imports (November)	$ 43,711,559	$ 37,769,047	$ 365,886,758	$ 423,653,045
Exports (November)	$ 60,384,596	$ 45,944,520	$ 480,545,323	$ 451,193,045
Wheat exports, bus. (Dec.)	17,457,963	27,735,999	191,968,361	228,219,755
Labor—				
Employment Index (Dec.)	91.8	83.2	......	......
Electric Power—Output—				
M. Kilowatt hours (Nov.)	1,702,558	1,448,227	15,848,841	14,429,791
Finance—				
Failures, No. (October)	144	199	1,729	1,995
Failures, Liabilities (Oct.)	$ 2,321,926	$ 3,439,220	$ 28,669,253	$ 34,506,706
Bank debits (Nov.)†	$ 2,837,450	$ 2,466,314	$ 27,489,544	$ 28,759,683
Bond sales (Dec.)	$ 10,000	$ 9,067,200	$ 528,401,089	$ 479,366,270
Insurance sales (Nov.)	$ 34,185,000	$ 34,003,000	$ 326,555,000	$ 370,440,000
Automobile Financing—				
Used cars (November)	$ 540,466	796,043	9,695,432	12,465,467
New cars (November)	$ 461,732	538,264	9,723,932	12,267,926

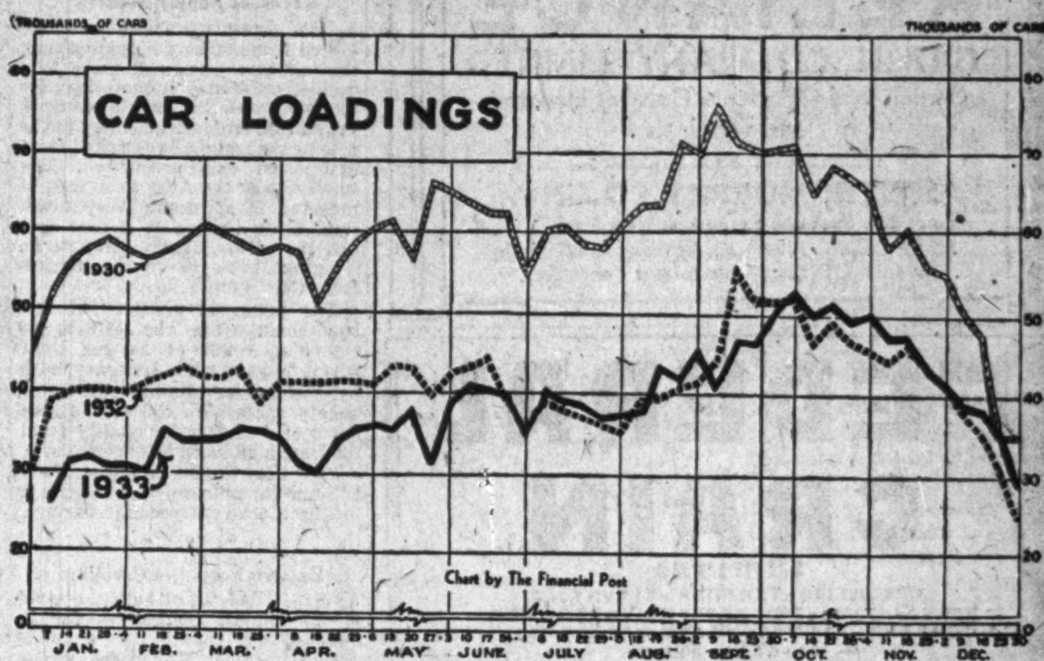
* Four weeks period, Nov. 11 to Dec. 2. †(000's omitted).

THEY USED Winter Grade

Marvelube

Sold at Imperial Oil Dealers' and Service Stations. Drive in today!

Carloadings End Year Above 1932 Level



Despite a poor wheat crop the trend of carloadings of revenue freight on Canadian railways has been exceptionally strong in the last half of the year. With the exception of a few weeks in September each week has shown decided improvement over the same period a year ago. This is the first time this has happened since 1929. In some groups the gain for the year has been almost 50 per cent.

Business Briefs

Crude petroleum imported during November totalled 94,471,616 gals. valued at $2,859,455 which compares with 56,772,107 gals. valued at $1,705,120 imported in the corresponding month of 1932.

Fall ploughing up to October 31, 1933, was ahead of that in 1932 as it is estimated that the proportion of land intended for next year's crop that had been ploughed at October 31, was 41 per cent of the total as compared with 37 per cent in 1932.

Immigrants entering Canada in the 11 months ended November 30, 1933, totalled 13,601, a decrease of 30.8 per cent from the 19,653 entering Canada in the same period of 1932. Immigrants of British origin numbered 2,205, a decrease of 31.5 per cent; immigrants from the United States numbered from 8,091, a decrease of 38.2 per cent. Representatives of northern European races numbered 633, a decrease of 27.3 per cent while other races numbering 2,672 show an increase of 8 per cent.

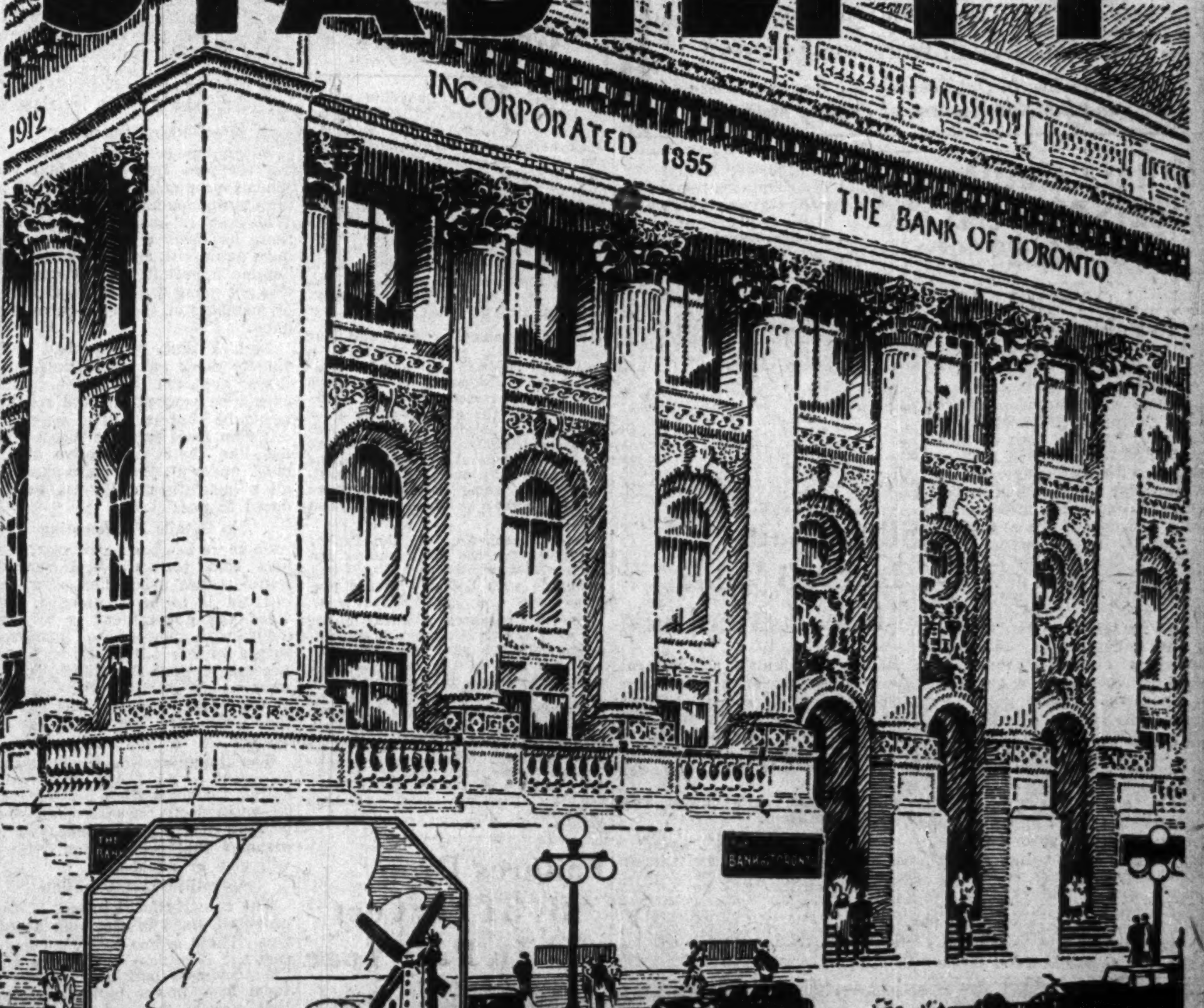
Rubber imported during November was valued at $528,409 as compared with $265,933 in November, 1932. Rubber boots and shoes to the number of 103,838 represented an increase of more than 400 per cent, coming chiefly from Straits Settlements.

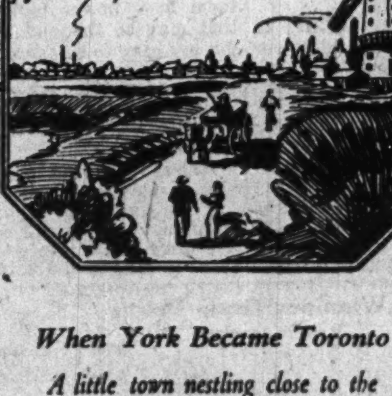
Failures under the Bankruptcy Act for the week ending December 30, 1933, show a decrease of 10, the figures being: 1932—40 and 1933—30.

Trade in Lobsters

The trade in live lobsters, or lobsters shipped in shell, has become a big business in Canada within recent years. Out of a total catch of 48,348,000 pounds of lobsters in 1932 over 14,448,000 pounds were shipped to market alive. The marketed value of the 1932 shipments was $1,948,000.

STABILITY





When York Became Toronto

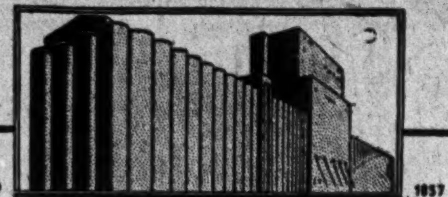
A little town nestling close to the waterfront—shooting muddy highroads into forest land—housing barely 9,000 people. That was York in 1834 when, rechristened Toronto, it was incorporated as a city.

TWENTY-ONE YEARS after the incorporation of the City of Toronto, The Bank of Toronto was incorporated—in time to grow up with Toronto—to see it become one of the important trading centres of the Dominion, a metropolis of over 800,000 people. And in those seventy-nine years of growth and expansion, this Bank has enjoyed in increasing measure the confidence of citizens of Toronto and all Canada to a point where original deposits of about $250,000 have been multiplied nearly 400 times. That this confidence is justified is proved by the fact that throughout its history, The Bank of Toronto has safeguarded the interests of its customers — has consistently followed the principles of sound conservative banking laid down by its founders. Today the Bank still stands for stability and safety in every department of its efficient banking service.

Such a record merits your confidence.

THE BANK OF TORONTO
Established 1855

134



ESTD 1857

Grain Merchants Shippers & Exporters

75 Years' Experience in Domestic and Foreign Marketing of Grain

Pioneers in the Exporting of Grain from Western Canada

Correspondents in Every Foreign Port where Canadian Grain is sold

JAMES RICHARDSON & SONS LIMITED

OFFICES:

EXECUTIVE OFFICES - WINNIPEG EXPORT OFFICES - MONTREAL, VANCOUVER

KINGSTON-TORONTO-CALGARY-EDMONTON-MOOSE JAW-SASKATOON-REGINA

RELIANCE GRAIN COMPANY LIMITED

Owners and Operators Country Elevators and Terminals

Exporters and Shippers

SMITH, MURPHY CO. INC.

510 Produce Exchange, New York

Head Office: 919 Grain Exchange, Winnipeg

Branch Offices: Toronto and Vancouver

FEDERAL GRAIN LIMITED

OPERATING-TERMINAL-ELEVATORS

FORT WILLIAM-PORT ARTHUR-VANCOUVER

423 COUNTRY-ELEVATORS-THROUGHOUT-THE-WEST

101-COAL-SHEDS

OUR-SERVICE-AND-FACILITIES-GUARANTEE-SATISFACTION

N. M. PATERSON & COMPANY LTD.

Own and Operate

One Terminal Elevator in Winnipeg

Two Terminal Elevators in Fort William

109 Country Elevators

Total Storage Capacity 6,925,000 bus.

31 Vessels on the Great Lakes

Total Carrying Capacity 4,500,000 bus. per trip

Head Office: FORT WILLIAM, ONT.

NATIONAL ELEVATOR CO., LTD.

HEAD OFFICE: WINNIPEG, MAN.

Western Office: Calgary and Edmonton, Alta.

Operating 123 Country Elevators in the Three Western Provinces.

TERMINAL OFFICE: FORT WILLIAM, ONT.

We Specialize in Oat Sacking for Eastern Trade and the Manufacture of Poultry Feeds

Grain and Milling in Canada

Wheat

From Our Grain Correspondent

Firmer Undertone

WHILE the wheat market continues to be marked by extreme dullness there appears to be some slight firming of the undertone, and the large size of the Argentine crop is having less unfavorable effect than might have been expected. Overseas markets are taking note of the decline in world surplus practically certain to be accomplished during the current crop year, and to an expected European production in 1934 decidedly less than in 1933. An official Italian report that acreage in Italy is down 10 per cent from the previous year suggests the possibility of that country finding it necessary to import wheat during the following season. Reports continue of extremely poor conditions in the winter wheat area of the United States.

* * *

Present Supply Sources

NEW Argentine wheat is expected to be of better quality than that of last year, and there is a decided difference in quotations for the two crops. Shipments have not yet started from that country in the volume that might be expected from figures on crop production. The small size of the Australian crop is reflected in shipments very much smaller than those of a year ago, and there is evidently going to be no great pressure on the market from that country.

The principal pressure of late has come from the efforts of Danubian countries to get their wheat out, and while Hungary, with hard wheat for sale has been reasonably successful, the soft wheat, much of it of inferior quality from the Danubian basin has been having a hard time to find an outlet. Sale of some Roumanian wheat to China has been a recent peculiar feature.

* * *

Eastern Ports Get Premium

RELUCTANCE of buyers abroad to commit themselves far in advance is shown by a wide premium over Canadian wheat for immediate shipment from Atlantic ports as compared with Vancouver shipments made at the same time, which cannot arrive until much later. Limited sale of wheat in quantity is also indicated by a decided premium for No. one hard compared with No. one Northern. Continental buyers are confining themselves to small quantities of the top grades for mixing with soft wheat in such plentiful supply there.

There is practically no interaction between the markets at Chicago and Winnipeg at present. The southern market has been remarkably steady for a long time, with the public indifferent and no influences developing to move it one way or another.

Good weather is permitting a freer movement of grain into country elevators than was the case last week, but daily totals are small, less than required for domestic and export trade, so a gradual diminution is in progress of total wheat supplies on hand.

Grain Briefs

Visible supply of Canadian wheat on December 29 was 241,683,101 bus. compared with 242,887,256 bus. the week before and 237,390,896 bus. at year ago. Canadian wheat in the United States amounted to 14,038,595 bus. of which 5,482,648 bus. was at Buffalo and 5,870,950 bus. at New York. This compares with 13,575,232 bus. on the same date last year when 7,431,720 bus. were located at Buffalo and 3,319,025 bus. at New York. United States wheat in Canada was shown at 2,248,845 bus. compared with 6,937,929 bus. last year.

World shipments of wheat and flour for the week ending January 1, amounted to 10,287,000 bus. as compared with shipments of 10,086,000 bus. for the previous week and 9,408,000 bus. for the corresponding week in 1932-33. Shipments from North America decreased by almost 500,000 bus. while Australian and Argentine clearances both increased by approximately the same amount. Russian shipments show an increase of almost 200,000 bus.

Wheat marketings in the Prairie Provinces for the week ending December 22 amounted to 1,832,253 bus. compared with 3,095,303 in the previous week and 3,374,622 last year.

Export clearances of wheat during the week ending December 29 amounted to 1,990,603 bus. compared with 2,347,673 bus. in the previous week and 3,588,445 bus. in the corresponding week of 1932. Clearances by ports were as follows, the bracketed figures being those of 1932. Week ending December 29: Vancouver-New Westminster 866,631 (1,475,213), United States ports 600,000 (1,749,000), Halifax 264,400 (nil), Saint John 259,572 (363,879), total 1,990,603 (3,588,445).

SASKATCHE'N WILL AVOID WHEAT QUOTA

Legislation Sought to Regulate Deliveries is Very General

WIDE ISSUES RAISED

Political and Constitutional Matters Involved in New Policy Announced by Government

From Our Own Correspondent

WINNIPEG.—Hon. W. C. Buckle, Minister of Agriculture in the Saskatchewan Government, announces that legislation is to be introduced at the forthcoming session of the legislature to empower the government to regulate deliveries of wheat by farmers. This, it is stated would be only emergency legislation, designed to come into force only if the wheat crop of 1934 should be unexpectedly large, greater than could be marketed under the London wheat agreement.

To some extent this announcement is considered to mark a decided defeat for the first plan of the Saskatchewan Wheat Pool, to have all deliveries of wheat by farmers brought under the quota system. That plan has been publicly advocated as a means by which wheat production in western Canada might be reduced in order not to overburden the narrow world markets at present available.

Rigid Control Expected

Even up until very recently, representatives of the Saskatchewan Government had let it be inferred that the pool plan was to be applied, and that before seeding time every farmer would be given a certificate specifying how much wheat he might be allowed to deliver during next crop year, based on the performance of his land in recent years. He would then, it was stated, be in a position to regulate his seeding accordingly, and it was proclaimed that such procedure would be in line with the requirements of the London wheat agreement.

Election in Offing

With provincial government elections in the offing it was presumed that the Saskatchewan legislature would enact whatever measure might be placed before it on behalf of the provincial wheat pools. The average provincial member has from 20 to 25 pool elevators in his constituency. With employees and members of local boards, together with their wives there is supposed to be a solid block of several hundred pool votes which might be swung by pool forces against any member not sufficiently docile.

There are enough of such votes in most constituencies to determine the result, provided the pool wanted to and was able to deliver them. These joint assumptions are quite unjustified, but they are nevertheless held by a considerable number of members of the legislature.

Pool Plan Unpopular

But it has been discovered during the past few weeks that the scheme propounded by the pool is highly unpopular in the country. Wherever it has been explained there has been a reaction by farmers against it, and it has recently become apparent that to enact it was not going to do either the pool or members of the legislature any good.

Besides that, no one had been able to work out the details, and it was apparent that if the details should be worked out the scheme would be shot so full of holes by criticism from farmers who would not like their prospective treatment under it, that perhaps after all a legislature could not be induced to pass it.

No Details Forthcoming

So there has been a retreat. The idea that the proposed scheme would reduce production of wheat in 1934 is to be abandoned. Instead the government is to arm itself with powers to introduce such a scheme if it should be found necessary, and the difficulty of working out details and the danger of exposing details to criticism in the legislature are both to be avoided.

The Dominion Government is to be asked to pass legislation validating the legislation proposed to be enacted in Saskatchewan and because of its indefiniteness it is assumed that criticism at Ottawa will also be avoided.

Constitutional Question

The constitutional aspect of the proposed steps is receiving attention. There seems to be no doubt that the Dominion Parliament and the provincial legislature between them have power to do anything that may be thought of, but such powers have to be exercised in particular ways, and it is understood that the Dominion while it can validate provincial legislation cannot delegate its powers to provincial legislatures.

Unless both the proposed provincial legislation and the validating legislation by the Dominion Parliament which will be proposed are drawn with the greatest care there is danger of finding that the powers supposed to be conferred have not been established at all.

That in fact is the kind of development desired by a number of members of the Saskatchewan Legislature. They were induced to vote for the Compulsory Pool Marketing Bill of 1931 largely by the knowledge that it was unconstitutional, and they thereby escaped criticism both from the farmers who wanted it and those who were opposed to it.

Few Want Action

Just how much the bill to be introduced will be wanted by anyone is a matter of doubt. It is claimed on its behalf that it is necessary for the Provincial Government to do something that will appear to be carrying out its implied advocacy of reduced wheat acreage, and its pressure on Prime Minister Bennett in connection with the London Wheat Agreement. But it is so far from meeting any suggestions for reduced production that it is doubtful if it would be satisfactory in that respect.

The pool organization which is said at first to have seen in farm quota plans an opportunity to acquire full control of western wheat marketing, is believed now to be doubtful about the plan, and whether advantages can be subsequently drawn from it. Government forces are expected to back it, and to believe that in doing so they are meeting the desires both of Mr. Bennett and the pools.

The opposition, who expect to have to take charge of the government of the province before another crop season, would like to see the bill defeated, and not to be saddled with the responsibility of deciding whether or not it ought to be put into effect, or whether any workable plan could be produced under it.

Further Increase in Spread Against Canadian Wheat

Price at Winnipeg Pulls Farther Away from Liverpool During December — Millers Also Complain

Further evidence that Canadian wheat continues to be "strongly held" as seen in the trend of prices, during December, is noted in the monthly review of the wheat situation by Searle Grain Co. of Winnipeg.

The review points out that at the end of the month the price of wheat at Winnipeg was ⅞ cent higher than the previous month in spite of a decrease of 2⅞ cents a bushel at Liverpool and of a decline in the price of both Australian and Argentine wheat. "Apparently Canadian wheat is strongly held" says this company.

Millers Confirm Spread

This report confirms the situation as seen by leading Canadian millers who are finding it increasingly difficult to market Canadian flour in Great Britain due to this continued differential against the Canadian product. It is claimed that the price of Canadian flour c.i.f. Glasgow is 19/6 a sack or 1/6 higher than the prevailing price of competitive product from other countries—a spread which makes it difficult if not impossible to market our flour in that country.

Reason for the decline in the price of wheat in sterling at Liverpool is accounted for, according to Searle Grain Co. by increased estimates of Argentine, U.S.A. and some European crops and also to the effect of processing taxes and minimum price regulations. The price of wheat at Liverpool it is noted, both in sterling and in gold, is still substantially lower than it was at the depth of the depression, 1932, whereas the statistical position of world wheat is decidedly better. "Apparently the substantial decrease in the burdensome world surplus has as yet had no effect on Liverpool prices. Buyers apparently are not yet worried about securing supplies."

Bullish and Bearish Factors

Outstanding features during the month which have tended to have a bearish influence on price are cited as the following:

Little reduction wheat acreage U.S.A.

Argentine crop 20 millions higher.

U.S.A. wheat and corn crop last year estimates increased.

Processing tax U.S.A. and minimum price in France curtails consumption of wheat and flour.

Important factors which have tended in the opposite direction (bullish) are these:

World's visible wheat stocks down.

Wheat stocks of four chief exporters down.

Winter wheat acreage seeded Russia and Europe decreased.

U.S.A. winter wheat condition poor.

JAPAN SEEN AS REGULAR BUYER CANADA WHEAT

Ten-Year Record Above That for China — Vancouver Traffic Gains

From Our Own Correspondent

VANCOUVER.—Until last year Japan has been consistently a heavier buyer of Western Canadian grain than China, and indications are that Japan will continue to be an important purchaser and a factor of increasing value in the westward wheat movement.

Japan's purchases, records show, have not been affected very much by the fluctuations in price. Exchange was an adverse influence last year; but whereas China buys Canadian wheat only when prices are down, Japan is always in the market, more or less, regardless of the prevailing quotations.

Ten Year Record Better

During the past ten years Japan has bought nearly 90,000,000 bushels of Canadian wheat, most of it high grade, while China has bought less than 50,000,000 bushels in the same period, much of it of the cheaper grades.

Vancouver incidentally retained its leadership as a wheat port last year, with exports for the twelve-month period totalling nearly 70,000,000 bushels. This figure showed a distinct decline since 1932, when the all-time record of 105,000,000 bushels was set, but it compares well with previous years. A comparatively heavy movement developed late in the year, indicating the probability of a larger volume of business this year, especially if some of the handicaps caused by lowering of rail rates to United States Atlantic points are offset. Probably 6,000,000 bushels of wheat will be shipped through here for foreign markets this month.

Steady Improvement

There has been an almost uninterrupted upward swing in grain shipments since the crop year began last August. August showed shipments totalling more than 2,000,000 bushels. September had shipments of 2,643,000 bushels; October, 4,486,000 bushels; November, 4,388,239 bushels, and December 5,357,129 bushels.

Altogether this season a total of nearly 19,000,000 bushels has been shipped from Vancouver. With 50,000,000 bushels exported in the 1933 portion of last season, the amount for the calendar year reaches 69,028,386 bushels.

'PEG MEET URGES PLAN FOR CATTLE

National Livestock Organization Mooted to Solve Problems

From Our Own Correspondent

WINNIPEG.—In an endeavor to find some means of improving livestock conditions in western Canada, about sixty representatives of various interests concerned with the industry, including packers, producers, commission men and members of government departments, met here toward the end of the year.

The proposals made at that meeting, for the forming of national livestock organizations, are to be submitted to similar gatherings in other parts of Canada in the near future. The functions of such an organization would be to disseminate information to producers as to types of livestock required by different markets, the collection of information as to markets that might be useful to packing interests, and endeavors to secure adequate markets for livestock.

Direct Shipments Increase

There has been a tendency recently to blame low prices on the stockyards to the fact that a large part of the buying of packers is no longer done there, but on the contrary a considerable volume of their purchases are shipped in direct to them either by truck or by train.

A tendency has been displayed toward belief that packers have deliberately encouraged this sidetracking of the yards with the object of causing prices there to fall to lower levels than would otherwise prevail, and thus provide them with a low basis for their purchases made off the yards.

Legislation is Planned

Ideas have for some time been in circulation that legislation should be introduced compelling all livestock bought by packers to go through public yards. The packers have caused a certain amount of surprise by agreeing to such proposals, and announcing that they will not oppose legislation to that end. Such legislation may be provincial, but if adopted it may have to be accompanied by Dominion legislation establishing a different method of regulating public stockyards.

At present such yards, although they charge a small fee on livestock handled, derive most of their revenue from the sale of hay and chop fed to livestock, for which they are accustomed to charge much more than the market price, sometimes two or three times the market price.

With declining volume of business there has been no possibility of lowering these feed charges, which in proportion to the value of the stock to which it has been fed, has seemed to command an exorbitant price. This has been one cause of shipments being routed more and more direct to plants instead of through stock-yards.

Dairying is Blamed

The spread of dairying is blamed for deterioration among beef cattle coming to market, as dairy sires have been used rather indiscriminately in herds where beef production, instead of milk, should have been the first consideration. The progeny of such sires are sure to be unsatisfactory as beef animals, lacking the proper conformation either to put on flesh economically or to produce first-class beef.

Livestock men here do not seem to be much interested in proposals for new marketing schemes, such as may be embodied in the bill now being drafted at Ottawa.

The theoretical chances of such schemes as are proposed being adopted by swine producers are greater than with the case of cattle producers, but even in the case of swine no one can imagine how it might be proposed to get the producers of different parts of the country to work together, or how the differing interests of various districts could be reconciled.

CENTRAL CANADA ASSETS REDUCED TO $4,799,601

Has Paid Off All Liabilities to Public — Earned 8 p.c. in 1933

Earnings of Central Canada Loan & Savings Co. amounted to $202,463, or 8.09 per cent on paid up capital of $2,500,000 in 1933 as compared with 10.6 per cent in 1932. Earnings are shown after deducting all expenses, interest on deposits and debentures and making provision for all losses. During the year the company paid off all its liabilities to the public and now transacts business merely as a holding and investment company. Earnings in 1933 are not, therefore, any indication of the trend of earnings of loan companies whose statements will now begin to come before the public.

Total assets are down to $4,799,602 from $11,003,098 due to the paying off of deposits amounting to $4,963,702 and debentures outstanding which have been reduced from $1,012,000 to $8,022. Remaining assets of the company are stated to be carried at well within their present market value. Assets consist chiefly of stocks, carried at $3,596,986 and bonds carried at $788,972. Cash is shown at $12,443; loans on bonds and stocks, $43,835; mortgages at $148,779; real estate held for sale at $28,586 and office premises at $180,000. Except for the $8,021 of debentures remaining outstanding the statement shows no liabilities to the public.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate $	Rate Earned per sh. $
1928	2,500,000	390,687	12+3	15.62
1929	2,500,000	453,150	12+3	18.13
1930	2,500,000	392,634	12+3	15.71
1931	2,500,000	335,359	12+2	13.41
1932	2,500,000	264,937	10½	10.60
1933	2,500,000	202,463	8	8.09

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	11,230,037	2,000,000	6,424,502
1929	11,225,366	2,100,000	6,341,681
1930	12,133,776	2,100,000	7,232,456
1931	11,308,857	2,100,000	6,447,178
1932	11,003,098	2,100,000	6,201,482
1933	4,799,601	2,100,000	8,021

Slight Gain In 1933 Value B. C. Agriculture

British Columbia's agricultural products, despite disastrously low prices, were worth $34,466,000 this year, a slight gain over the 1932 figure of $34,373,926, according to a year-end estimate, released by Hon. K. C. MacDonald, minister of agriculture.

The current year's output was divided as follows:

	1933 $	1932 $
Animal products	2,500,000	2,419,460
Poultry products	2,800,000	3,084,737
Dairy products	9,100,000	9,420,283
Fruits	3,950,000	5,227,003
Vegetables	1,950,000	1,893,137
Roots	2,774,000	2,072,384
Fodders	7,100,000	6,624,526
Grain	2,962,000	2,552,602
Misc. products	1,330,000	1,079,734

Failures Drop By 31 Per Cent In Past Year

Number of business failures in Canada during 1933 declined 31 per cent according to the week to week compilation made by the Canadian Credit Men's Trust Ass'n. from the weekly data published in the Canada Gazette. The figures are on the basis of federal Bankruptcy Act returns.

Total number of business failures in Canada in 1933, according to the returns, was 1,507, as compared with 2,188 in 1932 and 2,147 in 1931.

Your Questions Answered Without Charge

As a subscriber to The Financial Post you are entitled to information regarding any Canadian investment that you are interested in.

If not already a subscriber, address your enquiry to The Investment Department when sending in your subscription.

USE THIS COUPON

THE FINANCIAL POST,
481 University Ave.,
Toronto 2, Canada.

Please send me The Financial Post for the next year (52 issues). I enclose $5.00.

Name ....

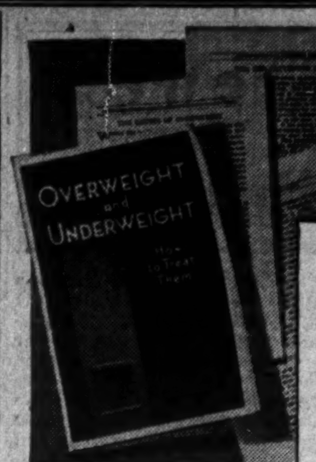
Occupation ....

Address 365

Winnipeg Grain Prices

Week to January 9, 1934

Crop year from Aug. 1, 1933 High	Low		Open Jan. 3	High for week	Low for week	Close Jan. 9
		Wheat				
.95	.59¼	May	.65	.66⅞	.65	.65⅞
.70½	.62¼	July	.66¼	.67½	.65⅝	.66⅜
		Oats				
.48½	.29½	May	.33	.35	.32⅞	.34⅞
.36¼	.32⅛	July	.33¾	.35½	.33⅜	.35½
		Barley				
.59¾	.32½	May	.38	.40¼	.37⅞	.40¼
.41	.36¼	July	.39	.40⅞	.38⅞	.40⅞
		Flax				
1.71½	1.15	May	1.47	1.48⅝	1.44½	1.46½
1.48⅝	1.39½	July	1.46¼	1.47⅞	1.44	1.45½
		Rye				
.68½	.39¼	May	.46	.46⅞	.45⅞	.46⅞
.50⅛	.43⅞	July	.46⅞	.47⅞	.46¼	.47⅞



The Metropolitan Life Insurance Company has prepared a booklet called "Overweight and Underweight" which tells you what to do to overcome either condition. It shows a chart of average weights, according to age and height, and tells you how to reduce sanely and safely. It contains food tables, menus and exercises to be used in reducing. You will find this booklet a valuable help. It will be mailed without cost at your request.

METROPOLITAN LIFE INSURANCE COMPANY
Canadian Head Office, Ottawa, Canada. Dept. 1-F-34

Please send me, without cost or obligation, a copy of your booklet, "Overweight and Underweight."

Name ....
Address ....
City .... Province ....

Overweight is Dangerous

IT is sometimes extremely difficult to persuade a jolly person who weighs many pounds too much—and who honestly says "I never felt better in my life"—that excess pounds are as dangerous as some of the diseases to which he would give immediate attention, if afflicted.

Consider these figures, especially if you are more than 35: People past 45 who weigh 20% more than the average have a deathrate greater by one half than the average for their age. If they have a persistent 40% overweight, the rate is almost double that of the average.

As a simple cold may lead to pneumonia or to serious bronchial trouble, so excess weight may be a forerunner of high blood pressure, heart disease, diabetes, kidney trouble, hardening of the arteries or apoplexy. It makes recovery from surgical operations and acute diseases more difficult.

In rare instances, overweight is caused by disease of the glands of internal secretion, but in nearly every case it is brought on by eating too much and exercising too little.

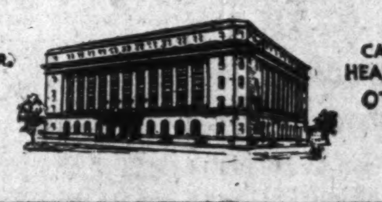
You will not be uncomfortably hungry if you gradually change to foods which are bulkier and less fattening than the foods which have brought the dangerous extra pounds. With a corrected diet and proper exercise, it is usually possible to reduce excess weight, comfortably about a pound a week, until a reasonable reduction has been attained.

Do not attempt abrupt or too extensive reduction of weight. Beware of "reducing" medicines. Some of them would wreck a normal person's constitution, to say nothing of a fat person's. Before taking any drug in an attempt to reduce your weight, consult your own physician.

If you weigh too much you should treat your overweight as you would a menacing disease. Give it immediate attention. Fill out and mail above coupon.

METROPOLITAN LIFE INSURANCE COMPANY

FREDERICK H. ECKER, PRESIDENT



CANADIAN HEAD OFFICE OTTAWA

SERVING CANADA SINCE 1872

Broomhall Anticipates Larger Argentine Crop

Favorable harvest weather in the Argentine has permitted of the harvesting of a large crop in excellent condition, according to a recent Broomhall cable. Cutting is extending into the Southern zones and reports as to yields are very satisfactory. It is likely that the next Government estimate will show an increase over that of Dec. when the wheat crop was placed at 256,000,000 compared to 236,000,000 bushels a year ago.

Shipments to the continent and for orders are increasing but England remains out of the market, says an authority.

Argentine Wheat Plans

The Argentine grain board is paying farmers 80 per cent of the fixed price of cereals deposited in local depots and the balance, less nominal charges, when the grain is sold to exporters. Profits from foreign exchange transactions alone allowed the board for the working expenses of any loss in the market prices that might ensue. The decree states that under no circumstances can the board's expenses exceed the profits received from covering foreign exchange. This method is expected to prevent the customary rush of early marketing following harvest and the consequent depressing of world values. This indicates that competition will be keener after the middle of the season than is usually the case or when North American crops are being harvested. The basic minimum price, however, can be changed from time to time.

The weather in all countries where winter wheat is growing or lying dormant appears less favorable than usual. A lack of heavy snow seems general, severe alternating temperatures prevail, which cause a cracking and root damage. Italy, Spain, France, Roumania and North Africa all complain of unfavorable climatic conditions in one form or another.

Russian wheat exports total 1,320,000 and Balkan countries 352,000. These figures are larger than a year ago and larger than at this time two years ago.

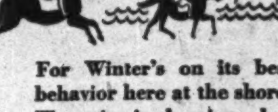
The condition of the seeded crop is favorable except in the south where snow covering is rather thin. The planned acreage this winter to all grains is 93,000,000 acres. By the end of October 86,000,000 acres should have been seeded compared to 87,400,000 a year ago and 89,680,000 two years ago at the same time.

B. C. Industries Prosper

British Columbia's industries in 1933 increased the value of their production over 1932 by $5,250,000 and industrial payrolls rose $7,000,000. Estimated production and increases are shown as follows: Lumber $38,500,000 up $3,350,000; agriculture, $34,500,000, up $100,000 mining, $30,000,000, up $1,750,000; fisheries, $10,500,000, up $500,000; industrial payrolls, $110,000,000, up $7,00,000.

To flee, or not to flee

THERE'S no question about it. It is indeed less prudent to suffer the stings of outrageous Winter than to take refuge at Chalfonte-Haddon Hall.



For Winter's on its best behavior here at the shore. The air is bracing, but never bitter. Golf and horseback riding are enjoyed all year round. Within the hotels there's a wealth of diversion that makes Chalfonte-Haddon Hall the perfect setting for a midwinter holiday.

If you are seeking escape from *excitement* as well as from the harshness of winter, here you can fill your days with repose. Bask in the sun on our lazy Ocean Decks. Take life easy in the cheerful, quiet lounges. Enjoy marvelous food and deep seaside sleep.

And through it all, the friendly concern for your comfort and amusement that distinguishes a stay at Chalfonte-Haddon Hall. Write for reservations.

Chalfonte-Haddon Hall

ATLANTIC CITY

Leeds and Lippincott Company

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Brazil's Coffee Troubles May End with 1935 Crop

Investors in Brazilian Common Stock Have Keen Interest in Situation Which May Have Important Effect on Exchange and Possibility of Paying Dividends in Canadian Money

I was interested in your article on the coffee situation in Brazil and the effect it may have ultimately on the fortunes of Brazilian, some of whose stock I hold. Until I read this article I had been thinking of selling this stock and staying out of it as I had almost come to the conclusion that the coffee surplus of Brazil is so large that it would be years before the country could sell coffee at a price which would give it a balance of trade so substantial as to enable Brazilian and other companies to pay dividends in foreign money.

I would be interested in having you elucidate further what you mean by saying that the coffee surplus may be dissipated in 1934 and 1935. You said that in 1932 the coffee surplus in Brazil stood at 32,000,000 bags, that 25,000,000 bags have since been marketed or destroyed, of which shipments may have been 15,500,000 bags, and that the new crop adds 29,885,000 bags (official estimate).

My reading is that the new crop added to 7,000,000 bags of old surplus would make 36,885,000 bags to dispose of this year whereas, according to your own figures, Brazil sells normally to the world about 15,500,000 bags. Even if she destroys 1,000,000 bags monthly throughout the year as she is doing now, the amount destroyed and the sales to the world would not amount to the actual new crop of 29,885,000 bags. That destruction is a very expensive process but apparently might have to be increased if Brazil has a crop approaching 30,000,000 bags again next year.

Will not the Brazilian Government have to abandon this plan eventually? Is it not just another artificial measure to interfere with the natural operation of the laws of supply and demand? It seems to me this plan is not really different in principle from the restriction measures which enabled Brazil for a time to keep coffee unduly high and led to the immense over-production now experienced in Brazil and elsewhere. Your figures are interesting in that they show Brazil more than holding in the last year its share of the world's coffee business. But is not the vital situation that Brazil over-produces now? On the basis of the last crop it produces twice as much as it can sell in the markets of the world. What is the local consumption in Brazil of coffee? I understand it is not very high.

I realize from your article that one cannot judge for some time as to what effects will be from President Vargas' gold decree, inasmuch as it makes necessary rate adjustments in many communities. In fact, I think it is a good thing that it is happening now when the company is not paying dividends anyway and it may be in a position to have that matter cleared up and definite arrangements in effect before improving exchange permits resumption of dividends. But exchange cannot improve much until coffee recovers in price. Can you give a further analysis to meet the points I mention?

Your error is in supposing that the crop of last year represents what may be expected from year to year in the way of coffee output from Brazil.

The last crop was a record crop and the probability is that the crops to be obtained for the crop year ending June 30, 1934, may in all probability get down to nine or ten million bags. It has been the experience in Brazil that a bumper crop is generally followed by a poor crop. One has to take an average of two or three years' production to get what the average production of Brazil is. For example, if in one year there is a small crop of 10 million bags and the next year a crop of about 30 million bags, that is 40 millions, or about 20 million a year.

It is thought that the average crop of Brazil is somewhere around 18 million bags. That would still leave a surplus of somewhere around three million bags of coffee beyond the world requirements from Brazil. But when the present overwhelming surplus is cleared off that would not offer much of a problem to the Brazilian Government. It has been able by export tax to destroy one million bags a month recently. That does not come out of its own resources as the export tax is collected mostly from the planter and the exporter. That tax makes the planter and the exporter realize that in their own interests they must reduce production and stocks to the point where the world demand will bring what they will consider a reasonable price.

Surplus May Disappear

The estimate of one statistician is that at the end of the crop year June, 1934, there will remain eight million bags of coffee surplus to go into the new crop year. He is taking for granted that the government will continue to destroy one million bags of coffee monthly and also that the next crop year will show a small production. If that is so he believes that at the end of 1935 there will not be a surplus of more than two million bags of coffee in Brazil. After that, even if the average Brazilian crop were to stay at 18 million bags, leaving on an average three million bags surplus a year it would be much less expensive for the government to handle as it would only have to destroy about one-third or one-fourth of the amount now being destroyed and the tax on the coffee would be reduced in proportion to the planter and the exporter.

Bad Judgment in Past

There is no doubt that the bad coffee situation in Brazil resulted from the artificial restrictions some years ago when the Brazilian Government tried to keep the coffee price up by storing it in their own country and only letting it out as consumption required. These high prices naturally stimulated production in other countries and more than that, led to an almost overwhelming increase in planting of coffee trees in Brazil itself, just as the Dutch rubber plantations were built up by the high prices obtained under the Stevenson (British) plan of restriction and world sugar production was increased tremendously by the restrictions imposed in Cuba under President Machado.

There are more natural limitations on expansion of coffee growing outside of Brazil than there were on the expansion of sugar and rubber plantations. There are only certain belts in most of the coffee growing countries where the growing of coffee is feasible. Certainly at present prices the tendency has not been upward in production but rather downward recently.

No New Trees Coming

The most favorable phase of the situation in Brazil with regard to growing coffee is, we are informed by those in a position to know, that from now on the situation will not be complicated by the coming into production of new coffee trees. The tremendous acreage of new coffee trees planted during the boom season has already come into production and is included in the figures of the last crop. There is going on, however, on a wide scale the abandonment of old farms which are being turned over to cotton or oranges. The trees are being rooted up on farms where they are from 25 to 30 years old, and especially because at present there is a tax on new production sufficient to prevent the planting of new trees and because coffee needs strong land and fertilizers. Cotton will grow well on tired land and oranges can be transplanted although they need a certain amount of fertilizer. Orange groves and cotton plantations, therefore, are displacing many of the old coffee plantations.

The tendency from now on will be not to increase coffee plantations but to decrease the production in Brazil. That is the most favorable point as it promises that sooner or later, with production dropping both inside and outside of Brazil, there will come a balance between production and consumption. Until that time comes there is not apt to be any great increase in price of coffee, though it may be pointed out that an improvement of one cent a pound means $23,000,000 on to the balance of trade of Brazil.

Quality Up, Quantity Down

Brazilians have always sought quantity rather than quality. Most coffees are a blend and the Brazilian cheaper coffees as well as the better quality coffees are in considerable demand for these blends. Under the present destruction programme, both as regards coffee in store and old trees, the tendency has been markedly toward an improvement in quality of Brazilian coffee. Those planters who are falling off in the use of fertilizers because of the low price naturally also tend to reduce the productivity of their land as well. If the surplus is eliminated within two years there might be then a tremendous improvement in coffee prices and, therefore, in the trade situation of Brazil and, therefore, in the exchange value of the milreis.

You ask about coffee consumption in Brazil itself. There are no figures available. That consumption does not get into statistics. It is quite high, Brazilians state, but a lot of it is direct from tree to consumer or middlemen who retail to consumers. It does not get into interior warehouses.

Enquiries

Ogilvie Flour

Is the stock of Ogilvie Flour Mills still regarded as a good investment medium? Has the company been able to maintain a good earning power, sufficient to pay dividends on the common stock?

Ogilvie Flour Mills is classed as one of the strongest industrial organizations in the Dominion. Its flour milling operations in other years have enabled the company to build up large reserves which have been invested in a diversified list of securities. While the company does not publish details of what proportion of its income is secured from investments, it is generally presumed that a fair percentage comes from that source. Flour milling operations have not been particularly profitable of late years. This has been due to a variety of conditions, principally the upset conditions of the export markets and the disturbed marketing conditions in the domestic field. Earning power is well established as seen in the fact that the company has been able to pay dividends without interruption since its establishment in 1904. At present a dividend of $8 a share, is paid on the no par value common shares.

Bruck Silk Mills

I have held a few shares of Bruck Silk Mills for some time and am in a position to continue holding the stock if the company is making progress. What have you on this point?

Position of Bruck Silk Mills has undergone a marked improvement since the early part of last year. Income for the year ended October 31, 1933, was the best since 1929, with earnings on the common stock of $1.56 a share. In view of the improvement the directors restored the common stock to a dividend-paying basis, with an interim payment in January, 1934, of 25 cents a share. At the annual meeting last December the president stated that the company had sufficient business on hand to keep the plants running three eight-hour shifts daily for the next five or six months.

Charles Gurd

Please let me have a report on Charles Gurd and Co. Has the company published figures on its operations for the past year?

Earning power of Charles Gurd & Co. has been sharply deflated in the last year or two. In 1932 the company was able to earn only $26,198, or a little better than a quarter of the amount paid out in dividends on the preferred and common stocks. Since that time the dividend on the common has been deferred; the preferred dividend is being met. No particulars are available as to the returns in 1933, but it is expected that the company will show improvement. Competition in the carbonated beverage business in the Montreal area has been strenuous and earning power of the majority of the operators consequently limited.

Canadian Hydro

Can you tell me why the preferred stock of Canadian Hydro is selling at such a low price? I hold a few shares and dividends are paid regularly. Does the low price mean that the company is going to pass the dividend?

Canadian Hydro-Electric Corp. preferred stock has been selling at a substantial discount, largely due to the company's dependency indirectly upon income from Canadian International Paper to cover its preferred dividend requirements. The company's operating subsidiary, Gatineau Power, is principally a wholesaler of power. It holds large contracts to supply power to Ontario Hydro, Canadian International Paper and its subsidiaries, E. B. Eddy Co., Canada Cement Co., Ottawa Electric, Gatineau Electric Light, etc. Income from Ontario Hydro and Gatineau Electric is sufficient to take care of all senior charges, including interest on Gatineau's first mortgage bonds. Of the balance a substantial proportion comes from Canadian International. The fact that until lately operations of this company were at a low point created some doubt as to its ability to meet its power contract—hence the low price for Canadian Hydro's preferred stock. Over the last five or six months the newsprint situation has undergone an improvement and the outlook for Canadian Hydro has bettered proportionately.

Montreal Debenture

Can you give me any recent information as to the position of Montreal Debenture Corp. in which I hold a few shares of stock? Is there a market for the stock?

Operations of Montreal Debenture Corp. for last year are not expected to result in a profit. Conditions in the rental and mortgage field have not been encouraging in the last couple of years. Of late, however, mortgage interest has been comng in in better volume, while rentals, more particularly in Montreal, have shown signs of improvement. There is no regular market for the company's stock.

Massey-Harris

Would you suggest Massey-Harris common for a pull of one to two years?

After the depression of 1920, 1921 and 1922, it took Massey Harris Company three years before it got out of the era of annual deficits. Thereafter for three or four years it showed increasing annual profits. During the present depression the company has lost a great deal of money as was naturally to be expected in a depression which hit the farm communities of the world with unexampled severity. It had $26,042,167 in 1930 owed by farmers who had bought farm machinery from it and also had a large inventory in 1929 of $31,814,545. Naturally, in the last few years, it has been difficult to liquidate the debts incurred by farmers for machinery and also to sell new machinery.

By Nov. 30, 1932, bills and accounts receivable had been reduced to $16,937,139. Accrued interest of $2,000,000 was not taken into account and total shown was after reserve for bad debts of $4,668,575. By Nov. 30, 1932, inventories also were shown in the balance sheet at $13,109,750 after reserve of $4,339,029 and the Australian current assets exceeding $3,000,000 had been invested in H. V. MacKay Massey-Harris Proprietary, Ltd., which will hereafter represent Massey-Harris in Australia, making its own machinery and marketing Massey machinery to supplement this.

The company has increased its cash since 1929 from $76,649 to $3,224,944 at the end of 1932 fiscal year and it had reduced its bank loan and over draft from $7,980,486 at the end of 1930 to $6,328,160 on Nov. 30, 1928. Its bills and accounts payable, including brokers notes, dropped in the same time from $3,547,342 to $625,801.

Its German plant was understood to be in a strategic position to supply Russian requirements but recent political developments may have interfered to some extent with that. The French plant stood up quite well during the depression owing to the large protection given the French farmer by the government. The resumption of commercial relations between the United States Government and the Russian Government makes it possible that its United States plant may do good tractor business with the Russians but how much is not yet apparent. The Russians have apparently learned that it is not good business to expand acreage recklessly on an over-produced commodity thus making world prices lower still. Therefore farm machinery purchases may be lower.

In 1932 the accumulated deficit went up from $6,109,766 to $12,687,278, including large provision made for inventory and exchange contingencies. In 1930 there had been a surplus of $247,387 and two years earlier a surplus of nearly $7,000,000. There is, therefore a long road to travel back before the company can earn and pay dividends on its common stock. Not taking into account $2,000,000 deferred dividends on five per cent preferred stock, the company will have to get $8,000,000 more income from annual operations at least. When the company has at last stemmed this series of declines, it may be necessary to ask shareholders for authority to reduce the balance sheet valuation of their common stock in order that dividends may be paid sooner.

The statement in February next will be chiefly interesting as showing what further progress has been made in collecting accounts and disposing of inventory. There has been some improvement in farm conditions and in exchange but no one thinks it has gone far enough to put the company in the black. It has paid all interest and sinking fund to date on bonds. From the stock market point of view there may be enhancement of stock market valuations years before there is prospect of dividends on preferred or common stocks.

Gypsum, Lime

I have been considering purchasing a few shares of Gypsum, Lime and Alabastine as a speculation. Have you any information as to the company's volume of sales and earnings?

Some improvement has been recorded in its operations by Gypsum, Lime and Alabastine, Canada, but considerably more headway will have to be made by the company before its earnings are sufficient to take care of depreciation and bond interest charges. Prospects for a resumption of building activity in 1934 are not unfavorable. In the event of such work being undertaken, the company is in a position to improve its earning power materially as a result of economies and readjustments made over the last year and a half.

Alberta Pacific

I have not seen anything on Alberta Pacific Grain Co. for some time. Is the company doing all right and are the bonds well secured?

The past three years have not been favorable ones for the grain companies. Alberta Pacific, in common with other operators, has experienced a decline in earning power, though income has been sufficient to cover depreciation and bond interest charges. Under more normal circumstances, the Western grain companies are capable of showing more substantial earnings and in the light of a long term investment, the bonds of Alberta Pacific are regarded as a satisfactory investment medium in a diversified list.

National Steel Car

In looking over some of the low priced stocks, I have been attracted to National Steel Car as a possible speculation. Can you let me have a report on this company's position?

National Steel Car is one of the principal organizations engaged in the manufacture of railway rolling stock equipment. There has been little buying of this type of goods by the railways or tramways over the past three years, so that income of National Steel Car has declined to a point where an operating loss was experienced in the last two years. When the railways are buying National Steel Car is capable of building up a substantial earning power as shown by its past records, but until such time as the railways are again in the market for new equipment, National Steel Car's stock is looked upon as speculative.

MacKinnon Steel

Kindly let me have a statement on MacKinnon Steel. I hold a few shares of stock in this company and am wondering whether or not to dispose of it and re-invest the proceeds in some other security.

Business available to MacKinnon Steel has been at a very low level for some time; a fact which is reflected in the income statement for the year ended July 31, 1933, which showed an operating loss of $25,073. Since May of last year no dividends have been paid on the preferred stock. No marked change is expected in the company's position in the near future. Meanwhile its finances are very satisfactory and the preferred stock is being steadily reduced by the management.

Rackets

Racket: "A trick, dodge, scheme, game, line of business or action."—Shorter Oxford English Dictionary.

Stock Swindlers in West

THE Vancouver Stock Exchange has issued a warning to western brokers to watch for forged stock certificates. Stock swindlers have "raised" 100 share certificates to 1,000 share denomination by adding an extra naught and have then offered these "raised" certificates for sale.

Bad Cheque Artist

DRESSED in working clothes and carrying a dinner pail, a man recently swindled several London merchants out of a total of $73.65 by presenting what purported to be pay cheques in payment for meats and groceries. In each case the amount of the order was considerably smaller than the cheque and the swindler secured cash for the balance. The apparent authenticity of the pay cheques, the working clothes and the dinner pail all combined to lull any suspicions that the merchants may have had. London police believe that the same man had previously passed several bad cheques in Toronto.

AN ONTARIO grocer reports that a man, allegedly from Toronto, came to his store recently and made a deal to wire the store for electric light. While on the job he secured a quantity of groceries, left the work half finished and did not return. The value of the groceries was twice that of the work done. The grocer is wondering whether or not he was the victim of a racket which maybe has affected other merchants.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Premier Gold Mining Co.

Will you please give some information regarding Premier Gold Mining Co.? The shares of the company seem to be selling at prices much lower than companies in a less favorable position. Why do not the shares show greater market activity?

Premier Gold Mining Co. has a long and honorable record of successful management. It is controlled by the American Smelting & Refining Co. of New York, one of the largest mining companies on the continent. The reason that there is not greater activity in the market for the shares is that it is very closely held and officials concern themselves with making mines not markets, with the result that it receives no sponsorship in the market and there is very little trading. The company is in an excellent cash position and is safely earning its dividend. The mine on the Portland Canal in British Columbia is nearing depletion, according to official reports, but the company has other properties under development including the Toburn mine now in production at Kirkland Lake, also a part interest in gold properties in West Africa and in Australia. Recently an option on the Alexandria Mine at Phillips Arm, B.C., was taken. It holds several silver properties in British Columbia of outstanding merit, which will doubtless be pressed into production as soon as silver prices advance.

Amity Copper & Gold

I would appreciate your opinion on Amity Copper and Gold. Kindly state standing of directorship, how many shares have been issued, and in your opinion the possibility of the stock, market wise.

Amity Copper & Gold Mines has a copper-gold prospect at Boston Creek, Ontario, that was given a pretty thorough test by former directors in 1929. Even with the high price of copper prevailing at that time, shipments of ore to the Noranda smelter failed to return a profit. This fall a new group secured control of the company and resumed operations. How it is possible for a profit to result with present copper prices has not been explained. There has been considerable propaganda about the property in recent months. Its present sponsors include R. S. Potter, president, and P. E. Doal, vice-president. The company has an authorized capitalization of 3,000,000 shares of $1 par value of which about 2,500,000 shares were outstanding at last report.

Topley Richfield

We notice that Topley Richfield Mining Co. stock is quoted at less than one cent per share and as we are interested in this stock we shall be very much obliged if you will let us know particulars as to its financial situation.

Topley-Richfield Mining Co. was taken over in September by the Eureka Hixon Creek Mines on the basis of 1,000,000 shares going to the shareholders of Topley-Richfield. Plans call for winding up the latter company upon distribution of the Eureka Hixon Creek shares.

A List of Suggestions for January Investment

Our January Booklet, "INVESTMENTS," contains a diversified list of Canadian Government, Provincial, Municipal and Corporation issues attractively priced.

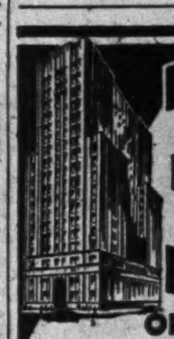
This issue of our Booklet also contains a comment on the outlook for 1934 and a review of the New-Issue Market during 1933.

We shall be pleased to supply copies of this Booklet upon request

DOMINION SECURITIES CORPORATION LIMITED

TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.

15 King Street West, Toronto



3½% ON DEPOSITS

Interest at the rate of 3½% per annum compounded half-yearly makes your savings grow surprisingly fast. Your savings with the Canada Permanent earn this rate with safety.

Founded 1855

CANADA PERMANENT Mortgage Corporation

320 BAY STREET TORONTO

ASSETS EXCEED $70,000,000

THE ONTARIO LOAN AND DEBENTURE CO

LONDON, CANADA 61 Years in Business

Capital $2,000,000—Reserve Fund $3,200,000

Make Mortgage Loans on Owners' Homes at reasonable rates of interest.

ARCHIBALD McPHERSON, *President* T. H. MAIN, *Manager*

The Western Savings & Loan Association

Winnipeg, Manitoba

Agencies:

Butler Byers Bros. Limited, Saskatoon, Sask.

McCallum, Hill & Co., Regina, Sask.

Equitable Agencies Ltd., Calgary, Alta.

PRUE COTTONS

Manufacturers of INDUSTRIAL and HOUSEHOLD Cottons in Canada for over TWENTY-FIVE YEARS

DOMINION TEXTILE Company Limited

MONTREAL TORONTO WINNIPEG VANCOUVER

M.Y.&S.

Members Toronto Stock Exchange

Accounts carried on conservative margin. Orders executed on all exchanges.

McLeod, Young & Scott

Metropolitan Building, Toronto

D. I. McLeod J. Gordon Weir W. Ewart Young J. H. Ratcliffe W. R. Scott

WHEN YOU WANT TO KNOW

—WHY did field crop revenue jump in Prince Edward Island in 1933?

HOW many wage earners are there in Regina? In Toronto? In any leading city in Canada?

WHAT do they earn in a normal year? What are their occupations?

WHERE will buying power in Canada be in 1934? What groups? What areas?

WHAT are the key industries in Hamilton? In Montreal? In Brantford? In other large cities in Canada? How many people do they employ? How much capital have they invested?

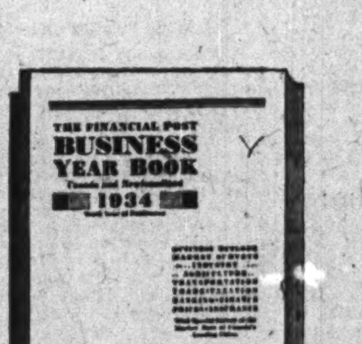
WHAT sort of people live in Saint John, N.B.? In any leading city? How many Protestants? How many Germans? How many read and write? How many radios are there? What is the cost of living? The wage rates to key workers? The debenture debt? The tax arrears?

You have it in

THE FINANCIAL POST BUSINESS YEAR BOOK 1934

and also the answers to 50,000 other questions on Canadian business activities, including a SPECIAL SURVEY of the MARKET DATA of CANADA'S LEADING CITIES.

Ready Jan. 30. Price $2. Order Now.



THE FINANCIAL POST, ...1934
481 University Avenue,
Toronto 2, Canada.

Please send me postpaid .... copies of the new, 1934 edition of The Financial Post BUSINESS YEAR BOOK, at two dollars a copy. Enclosed is $........ in payment.

Name ....

Address ....

THE CANADIAN BANK OF COMMERCE IN STRONG POSITION

QUICK ASSETS 58 PER CENT. OF LIABILITIES TO PUBLIC

The President and General Manager Address Annual Meeting of Shareholders

Our Banking System Commended And Administration Praised

Sir John Aird Reviews External Conditions---Trade in the British Dominions and Continental Europe

Mr. S. H. Logan Discusses the Bank's Statement and the Canadian Banking System

The Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held at the Head Office in the City of Toronto on Tuesday, January 9th. After the reading of the Report the General Manager, Mr. S. H. Logan, and the President, Sir John Aird, addressed the meeting.

The General Manager refers to the strength of the bank's position and discusses the report of Royal Commission on Banking.

On the occasion of our last Annual Meeting we were in the midst of the world economic depression which had continued unabated since 1929, and I could then only venture the hope that 1933 would witness at least some degree of recovery. That hope, I am happy to be able to say, has been fulfilled through the quite noticeable improvement which has taken place during recent months in general business conditions in Canada. This welcome change has not, however, as yet reflected itself in an important way in our net earnings. The Statement before you shows a profit of $3,648,000, which is $630,000 less than that of the preceding year. We are encouraged, however, to note in recent monthly returns an upward trend, which we trust may continue.

Continued Strength

The strong financial position of the Bank shown last year has been well maintained. Our liquid assets of $306,000,000 are somewhat lower in amount than a year ago, but they represent a higher ratio to total liabilities to the public, namely, 58 per cent. Cash reserves aggregating about $60,000,000, are in excess of 11 per cent of those liabilities. There is a change, however, in the composition of these reserves. Last year we had gold and silver coin holdings of $25,000,000, which now show a reduction to about $17,000,000. The explanation is that for a long period we held in the United States a gold reserve against our deposits abroad. New regulations by the American Government following the banking difficulties early in 1933 required all those in the United States who possessed gold, whether banks or individuals, to surrender their holdings to the Federal Reserve Bank, and to receive in exchange Federal Reserve notes, the legal tender of that country.

Enlarged Holdings of Government Securities

Our Canadian Municipal and British, Foreign and Colonial securities have risen from $25,000,000 to $39,000,000. About $20,000,000 of these consist of very short-term obligations of the British and United States Governments, which we now carry in place of gold as reserves against deposits outside Canada.

Increased holdings of government securities are now a prominent feature of the financial statements of banks throughout the world. This is accounted for by the decline, owing to the depression, in the volume of commercial and other loans. Banks are always desirous of making these loans because they stimulate general business activity and industrial employment, and in addition afford a more profitable employment for their funds than high-class securities. With a shrinkage in the volume of business and a fall in the general price level, the aggregate of credit requirements is necessarily lower than in a period of trade expansion and rising prices. Customers borrow freely only when they see an opportunity for making a profit, but will not assume fresh banking obligations if they consider that the price of commodities in which they deal may decline. Confidence in economic stability lies, therefore, at the basis of business revival and determines in large degree the volume of credit required by the borrowing community.

The increased investment by banks in government securities has not been due to choice, but to a diminished demand for credit. When, with revival of trade, credit is sought more eagerly, the short-term securities held by the banks will be falling due, and the enlarged needs of borrowing customers will be met without financial unsettlement.

Current Loans

Our current loans stand at $228,000,000, as compared with $246,000,000 a year ago. Changes under other headings of the assets side of the statement are relatively slight and require no special comment. On the side of liabilities, deposits by the public and balances due to other banks show a decline of $18,000,000 during the year.

The principal causes of this reduction are the investment by depositors in the recent issue of Dominion Government bonds and the repatriation to the United States of temporary deposits—mainly funds of corporations—accumulated in Canada when our dollar stood at a discount with the American dollar and withdrawn upon appreciation of the former over the latter.

Deposits bearing interest aggregate $352,300,000 and non-interest bearing deposits $94,700,000 as compared with $379,100,000 and $90,800,000 respectively in our previous Statement.

Borrowings under the Finance Act remain unchanged.

Bank's Realty Company

We rarely comment upon the Dominion Realty Company, although it is our most important subsidiary and owns many of our buildings, including the one in which this meeting is being held. All the shares of its capital stock are owned by the Bank. This asset is carried in our statement at only $3,000,000, although the book value of the shares exceeds $15,000,000. Substantial provision is made annually for depreciation and sinking funds, and all buildings are maintained in excellent repair. Our Head Office building is yielding a satisfactory return upon the investment. When we considered its erection a survey indicated that our own space requirements over the preceding fifteen years had increased fourfold, and room for future expansion had to be provided. It has proved to be a most popular office building, about 5,000 people entering and leaving it daily, while at no time has the rental space been less than 99 per cent occupied.

Commission on Banking

This has been an unusually important year in the history of Canadian banking. We have witnessed an investigation of our entire financial structure by the Royal Commission on Banking and Currency, whose Report many of you no doubt have perused in detail. It furnishes the public with an instructed view of the banking situation in Canada and of the relations existing between the banks and their customers. Canadian banks welcomed this investigation and furnished the Commission with all information possible. During business depressions governments, banks and large financial corporations the world over come in for an undue amount of criticism. The Canadian banks could not attempt to reply to individual critics expressing such varied views and theories of banking principles and practice. The Commission at its numerous sessions throughout the Dominion afforded all interests and individuals the opportunity of expressing their opinions.

Accommodation for "Good Borrowers"

The chief criticism throughout these hearings was that the banks did not lend freely enough and that interest rates charged were too high. There has never been a time when the good borrower could not get necessary banking accommodation. By the good borrower I mean one possessing liquid security in reasonable relationship to the amount he seeks as a loan, particularly one who requires the money for productive purposes or for the movement of merchandise, and who can be relied upon to complete his business transaction and repay his loan in due course. There are, of course, many who feel that they should be able to borrow from a bank without adequate security, or without being able to show dependable sources of repayment. While banks are always prepared to take reasonable risks, they must at all times keep in mind their responsibility to their depositors and shareholders and the imperative necessity of conducting their business safely in accordance with sound banking principles. In following this policy we believe the banks have the support of the great majority of the public whom they serve.

Banking System Commended

It is most gratifying to know that the Report of the Commission, which included in its membership two such outstanding authorities as Lord Macmillan and Sir Charles Addis, expresses high commendation of our banking system and of the efficiency which has characterized its administration. With respect to interest rates charged to customers of banks throughout Canada, it must be borne in mind that such rates are necessarily fixed to allow, after meeting overhead expenses including heavy taxation and the amounts which must be appropriated annually against bad and doubtful debts, a fair return upon banking capital contributed by shareholders. The average net annual profits of Canadian banks for the past ten years were shown by the Report to be 6.36 per cent, and the dividends actually paid 5.93 per cent upon the average investment by shareholders—certainly not an undue return compared with that obtainable from high-class bonds during the same period. In 1933 the return to bank shareholders was, of course, much lower than the average I have mentioned, being very little more than 4 per cent. The cause of business depression is not to be found in interest rates, but in the slower movement of commodities and the severe reduction in prices. The law of supply and demand still determines the levels of world prices and of business activity.

A Central Bank

Announcement has been made by the Prime Minister that a Central Bank is to be established in Canada. The representatives of the Canadian banks in appearing before the Royal Commission expressed the opinion that there was no need for such an institution. We are all, naturally, slow to welcome radical changes, more particularly in such uncertain times as the present, but if the Government and Parliament of Canada determine that a Central Bank is now required, the banks should, and no doubt will, earnestly co-operate in endeavoring to make it a success. There are certain features of the constitution of the Bank as proposed in the majority report of the Commission which we think require special consideration. The suggested capital of $5,000,000 appears to be entirely inadequate for such an institution whose liabilities by way of notes in circulation and deposits on its books may extend to hundreds of millions of dollars. The commercial banks would naturally carry a substantial part of their reserves with the Central Bank, but the sum involved should not be specifically defined. A statutory cash reserve is a frozen reserve not available to banks in emergency. If a statutory reserve were set, each bank in self-protection would be forced to carry in its own possession larger cash reserves than would otherwise be the case, and in consequence credit to the public even in normal times would be necessarily restricted.

The new bank should not, because of the present serious exchange risks, be allowed to carry any important part of its reserves in other countries, except under the unqualified guarantee of the Dominion of Canada. There should be the same flexibility in borrowing privileges for the commercial banks as is now afforded them under the Finance Act, without legal restriction as to terms of borrowing or renewing. One outstanding feature in the Commission's report was the evidence of moderation of the bank's borrowings during the entire existence of the Finance Act.

Bank Note Circulation

The bank note circulation of this country is regarded as one of the best of the world's currency systems, for one reason because of its unblemished redemption record over the last half century. Its safety and general value have led one of the greatest authorities on central banking, Dr. Feliks Mlynarski, whose work for the Gold Committee of the League of Nations is recognized as a masterpiece, to pose the following questions: "Whether it would not be advisable to abandon the monopoly of note issue, and to admit to it a few of the best joint-stocks banks, whose right of issue of their own notes exclusively for discounting of commercial bills should be strictly limited, and to a certain degree based on the Canadian system. Is it not a characteristic feature of the crisis that Canadian banks suffer less at present than in other countries, particularly less than banks in the United States? Is it not also characteristic that in debtor countries with a note issue monopoly the reconstruction of the capital market is slow and painful?" These are cogent questions which deserve the most careful consideration. In any event, the note circulation privilege should not be taken away from the banks at an early date. It will take time for the country to accommodate itself to a Central Bank, and the commercial banks might well be left with their present note circulation facilities for a further period of, say, ten years.

Should the right of note issue be withdrawn from the chartered banks many of their smaller branches would no longer be able to operate at a profit and would have to be closed. I doubt if the public realize to what extent the banking service they now receive would, of necessity, be curtailed if this step were taken.

Demand For Canadian Products

The most outstanding feature of our trade during the past year was a sudden and widespread foreign demand for certain Canadian basic products. This occurred in conjunction with an increase in the physical volume of world export trade, commencing in February and extending at least until October, beyond which there are no complete figures yet available. Incidentally, this was the most sustained upturn during the past four years, and one that owes its origin both to a quickening of world industrial operations, which a host of fresh political and financial disturbances could not check, and to a consequent decline in raw material stocks.

Broadening Foreign Markets

It is not necessary in this connection that I deal specifically with what has already been made public, namely, that the value of our export trade has increased steadily since April, and that we have, as a result of a broadening of our foreign markets, become better customers of other countries by increasing our imports. Nor need I stress the fact that consequent upon a greatly increased margin of merchandise exports over imports ($141,000,000 for 1933, as compared with $49,000,000 in 1932) we have found it easier to maintain our proud record of honouring our external debts, while over twenty countries have defaulted, wholly or in part. Instead, I ask you to note two special points, one, how well Canada shared in the improvement in world trade, and the other, the rôle played by our banks in this most striking economic development of the past year.

Responsive to Trade Revival

The first of these is the more noteworthy, because it reflects the favour with which the quality of Canadian products is regarded in the international market, as well as the skilful management that kept our basic industries in efficient working condition and therefore immediately responsive to a revival in trade. A decline in grain exports from midsummer was overshadowed by a continuously increasing trade in cattle and bacon and by a marked expansion in exports of metals and wood products. As an interesting sidelight on this subject, it may be mentioned that after careful enquiries, directed through our foreign branches and correspondents, we learn that the greatly enlarged exports of these materials have been actually required for consumption and have not been caused by a speculative demand carrying with it the danger of recession in our productive activity.

Canada a Chief Beneficiary

To demonstrate that Canada was one of the chief beneficiaries of this upward movement in international trade, let me point out that the rate of increase in the exports of this country, calculated in gold values for the purpose of reliable comparison was more than double the rate in world exports as a whole.

Banks Finance Trade

With regard to the other special feature, as practically every foreign trade transaction passes through a bank we may well consider how different the situation would have been had our banks not been so strong and well equipped, as a result of many years of sound methods and the development of foreign connections (instituted long before the present régimes), to undertake the financing of this increased business. Obviously, the answer is that Canada would not have been able to take full advantage of the opportunity afforded to augment its manufacturing activities, (including those of the lumber and pulp and paper mills), by 40 per cent, and its mining operations by 25 per cent, nor to widen the field of general employment so as to absorb at least 150,000 workless people. I do not claim that the banks have done more in this respect than they should have done. But such an unexpected call for their services was made under abnormal circumstances, because at the time that this increased foreign demand for Canadian products arose, the United States voluntarily suspended the gold standard and the international exchanges were thrown into a state of confusion never previously experienced. However, the Canadian banks were able to finance this trade, and thereby to prevent any interruption in the execution of new orders by Canadian exporters. I can give you some idea of the magnitude of the volume of this foreign business undertaken by the banks of Canada by mentioning that our institution alone put through its books in 1933 bills of exchange, inward and outward, transfers, drafts, credits, etc., aggregating nearly 400 million dollars.

Gratifying Progress

The foregoing is intended to be briefly illustrative of the gratifying progress made by some of our leading industries, as well as to explain the causes of an increase in general business activity of nearly 20 per cent in 1933, in contrast with a decline of 13 per cent in the preceding year. The records of our forest and mining industries, however, warrant further comment. Whereas Canada accounted for most of the decrease in the world production of newsprint during 1932, she will be listed as one of the countries which expanded its output in 1933. A year ago the conditions affecting the lumber industry were so serious as almost to baffle description, but a marked improvement commenced in the Spring of 1933, and by the Autumn the production of the largest regional unit, British Columbia, was at the highest level for any corresponding period since 1929.

Canada's Mining Production

There has been general recognition of the fact that mining in this country has held its ground better than any other major industry. In the 1929-32 period it registered a decline of about 25 per cent—mainly because of the severe depression in coal-mining—as compared with one of nearly 40 per cent in general business. But it may not be widely known that the mining industry as a whole has now become our second largest primary producer, ranking next to agriculture. One salient feature of the past year is not merely the continued progress in gold mining, with an estimated production of $61,000,000 at $20.67 per ounce, or $85,000,000 at the average market price realized, but also the fresh impetus given to the base metal and asbestos industries. Thus, the production of nickel in 1933 was nearly three times that of 1932, while that of copper increased by 22 per cent, that of lead by 5 per cent, that of zinc by 16 per cent, and that of asbestos by 21 per cent. In comparison with the world production of these materials, we find that the Canadian records were more impressive in respect of copper and lead, but less favourable in the case of zinc and asbestos. The total value of mineral production in Canada for the past ten years has aggregated nearly $2,400,000,000, an enormous contribution to Canada's national income.

A Balanced Budget

It is highly regrettable to have to note the great distress over a part of the Prairie Provinces attendant upon another severe drought, although the purchasing power of Canadian agriculture as a whole rose slightly in 1933. It is also disappointing to record that building and other construction continued to decline until late in the year; that, despite further operating economy, the net revenues of our two railway systems were little, if any, larger than in 1932; and that our governmental and municipal debt structures show no general improvement. The balancing of budgets by all spending authorities is an urgent necessity.

With Brighter Hopes

While Canada is still paying the penalty of over-expansion and over-borrowing, conditions are undoubtedly better than they were a year ago. We may be slow in attaining the momentum of recovery which we all desire, and undoubtedly we have many pressing national problems still to solve. But with the encouraging progress which has been made we can go about our task with brighter hopes and more cheerful hearts, and with that greater sympathy for others less fortunate than ourselves which has been developed by the period of adversity through which we have passed.

The President Surveys World Conditions.

In his address to you a year ago the General Manager correctly stated that the economic centre of gravity had shifted to the political sphere. That remark was the genesis of the observation I then made to the effect that business was ready to advance, but that the rate of progress would depend upon the degree of international co-operation in tariff adjustments and the stabilization of national currencies in terms of one another. This stimulus could have been, but unfortunately was not, provided by the Monetary and Economic Conference held in London last Summer. Notwithstanding the failure of the Conference to achieve any of the major purposes for which it was convened, such is the vigour and vitality of business enterprise that the trade of the world, and particularly that of the British Empire and of those countries in close economic association with it, is today in a more satisfactory and sounder condition than a year ago. While this is most gratifying we may still regretfully reflect how much more impressive the record of world trade and general business activity would have been, and how many more people would have been happily restored to employment, had the shackles of war debts and trade restrictions been loosened even slightly, and had increasing disorder in the international exchanges been averted by agreement at the Conference on but two or three of the many constructive proposals included in its agenda.

International Goodwill Needed

Our satisfaction in the demonstration which we have witnessed of the recuperative powers of the business world must also be tempered by the thought that the fundamental causes of the acute economic distress of recent years have not been removed, and that there is a new hazard in the American monetary experimentation. The problem of clearing the channels of international trade still remains for solution, and it should frankly be recognized that the progress of the past year has been partially due to artificial measures taken in various countries which cannot continue indefinitely to exercise a stimulating effect. What is most needed is a spirit of international goodwill and unselfish co-operation without which durable progress must be uncertain.

The improvement in Canadian industrial and employment conditions has been so adequately described by the General Manager that I can proceed immediately to discuss external conditions.

London Resumes Leadership

British industry improved comparatively slowly in the early part of 1933, owing mainly to difficulties which beset the important cotton milling unit, but has since made substantial progress. The favourable developments in the employment situation are too well known to require description here. The strong measures taken two years ago to adjust the Government's expenditure to its revenue have had the most fruitful results in the past year, the fiscal income for the nine months ending November being slightly higher, and the outlay much lower, than in the like period of 1932. London has resumed the leadership in international finance, for her private capital market, though still restricted, is now not only the safest for financial operations, but the only one of major character that is functioning in anything like a normal manner. While there was no spectacular rise in export trade, the United Kingdom increased its foreign commerce in all directions, except the Oriental and Russian markets, a noteworthy achievement considering the crushing import restrictions in many countries.

British Countries Improve

Uniform improvement is to be noted in Australia and New Zealand following the gains these countries made in 1932. South Africa and Rhodesia have experienced a revival in their great mining industries which has offset, at least in part, an unfavourable agricultural situation. India has continued practically immune from the depression. The British West Indies have also remained but little affected by the serious dislocation of world economy, although their position is not quite as favourable as in 1932, owing to severe storm damage, centred upon Jamaica.

Europe Shows Progress

The most satisfactory progress in Continental Europe has been made by the Scandinavian countries. A marked industrial revival in France was checked last autumn owing to political unsettlement and the loss of investment confidence arising from the delay in balancing the Government's budget, as well as from fears of the country's ability to maintain the gold standard. Germany's excellent industrial record was reflected in a greatly improved employment situation and Reich finance, but artificial elements partly induced these changes, while a falling export trade caused a partial moratorium on the external debt service. Italy records a moderate improvement. Austria has to her credit a better trade position and an easing of her financial difficulties. Eastern Europe, though still all but financially prostrated, was favoured with good grain crops last summer which, combined with the negotiation of trade treaties within this group of countries and with neighbouring nations, brightens the outlook somewhat for this sorely distressed region.

Russia's Experiences

Russia presents a picture of sharp contrasts. Under the first Five-year Plan the ratio of industrial production to total production was raised from 50 per cent to 70 per cent. But there was glaring misplanning in a great waste of capital, in the failure to furnish commodities to the public in proportion to their productive capacity and in an over-issue of currency which, coupled with a loss in agriculture efficiency and a shortage of live stock following the vigorous collectivization campaign and drought in 1932, led to serious famine conditions in parts of the country. The new Economic Plan provides for an improvement in the quality of goods and in their distribution.

Improvement in Latin America

There are signs of stability in South America, Brazil, in fact, enjoying a more active trade, both domestic and foreign, owing largely to increased exports of coffee and other products. Mexico is also in an improved position as a result of a steadily expanding export trade, excellent harvests and slightly more activity in her petroleum and mining fields.

Cuban affairs have gone from bad to worse, despite higher sugar prices, and a period of quiet political and labour conditions is requisite to the reconstruction of the country's financial and agricultural structures.

Conditions in The Orient

Following a stiffening of the resistance by other countries to the competition of its low-priced manufactures, Japanese industry has progressed intermittently, as compared with a continuous advance during the greater part of 1932. China continues under the spell of years of civil strife and her struggle with Japan, but the present comparatively quiet political atmosphere, coupled with some progressive policies and good crops, affords the opportunity for rehabilitation.

United States' Problems

The most disappointing feature of world economy is the failure of the United States to rise as rapidly as expected from the unparalleled low economic level to which it had sunk last March. A good deal of the ground recovered between April and July was lost by mid-September, but from that time until late in October a state of equilibrium was apparent. In recent weeks there has been a moderate advance. As is well known, the attempt to raise the commodity price level by depreciating the currency in terms of gold has not met with the anticipated degree of success.

In fairness to the President and Congress we must bear in mind that they inherited a most serious domestic situation, aggravated by fiscal and monetary policies of certain other countries, which demanded imperative and forceful action. Certain manifest social injustices also called for redress. While recognizing these difficulties, however, and warmly praising the humanitarian aspects of the President's programme, it appears to many competent observers that the laudable efforts which are being made to establish more equitable social conditions may cause a host of other inequitable relationships. Social, like economic progress, is best accomplished by taking one sure step at a time. It cannot be safely accelerated beyond a certain pace. It is sincerely to be hoped that the existing uncertainty as to the American monetary policy which is so unsettling to their own business and that of all other nations will be brought to an end as speedily as possible.

Exchange Instability

The world as a whole resembles nothing so much as a laboratory for monetary experiments. This bank took a strong stand against one of these—deliberate exchange depreciation—when it was being urged as a cure-all for our economic ills. I shall not repeat our arguments against that fallacious proposal, but bespeak your consideration of the following statement from the Economic Bureau of the League of Nations. "The most destructive development during 1932 was exchange instability . . . Prices did not rise and trade was drastically curtailed, while exchange instability and exchange controls imposed fresh obstacles to capital movements . . . In order to compete more effectively in world markets, the countries with managed currencies endeavoured to restrain any tendency for their domestic prices, and therefore their domestic costs, to rise, preferring to allow their exchange rates to fall . . . Moreover, the countries remaining on gold attempted to meet the new competition from depreciated currencies by further deflation and also by increased trade restrictions, and in the latter they were joined by many of the countries off gold."

Proper Economic Ratio

As to the question of establishing a proper relationship between commodity prices and debts, I believe that while the necessity for a higher price level is obvious, it is quite as essential that the various sets of prices be brought into proper economic ratios to one another. As to debts, those which are unsoundly based would, to say the least, prove difficult of liquidation even under the most radical monetary unit changes. If these and the mass of unproductive inter-governmental debts—or as the latter are commonly known, war debts—could be eliminated, tariffs lowered and certain prices made more flexible, the remaining structure would probably not prove unduly burdensome.

Crux of Money Problem

The crux of the money problem is not how to create more credit and currency, but how to find more work for that available at present. The difficulty could partly be solved by restoring confidence in currency units, which should lead in turn to investment confidence at a time when there is a huge industrial replacement demand, as a result of worn-out or inefficient productive equipment, which waits for realization upon monetary stability and the prospect of a reasonable return on the outlay. But as long as the present uncertainty lasts the scope of business enterprise will remain limited, and governments must continue large-scale relief programmes.

Banking Commission Report

The Report of the Royal Commission on Banking and Currency is an instructive and valuable public document. As you know, a majority of the members of the Commission recommended that a Central Bank should be established in Canada forthwith. To those who, through misunderstanding of the nature and functions of such an institution, have cherished extravagant hopes of what it might be expected to accomplish, the following extract from the Report will be informative: — "We should perhaps sound a note of warning as to the degree to which such an institution could fulfill all the expectations that the public might attach to it. A central bank could not cure all the economic ills of Canada; it would not be a source of unlimited credit for all borrowers on all occasions, indeed its operations might as often be restrictive as expansive . . . It has in practice been found that a central bank can give most effective service to the community if it is free from the fear of interference for political ends in operating the delicate mechanism of the national monetary and financial machine."

Credit Requirements Fully Met

It is indisputable, as is stressed in the Report, that this is a country of extreme variation in economic stability, for one reason because of great climatic changes in different sections of the country. This factor in itself is one affecting the supply of and demand for bank credit, and one also that is the bane of a banker's life. Yet despite this natural handicap the banks have fully met the legitimate bank credit requirements of the country. This bank has opened its books to the public to show that it has had as many as 150,000 borrowing accounts and that 85 per cent of these were for advances of $1,000 or less, and 96 per cent of $5,000 or less. Accordingly, bank credit in Canada has been available over a great range of territory to all classes of people, particularly to the small borrower, and, I might add, under safer control than in many countries which have central banks.

In connection also with the subject of the proposed Central Bank, I direct your attention to the November 18th issue of the London, Eng., "Economist," whose opinions on finance are valued the world over. This eminent journal pointed to the strength of the case submitted by the dissenting members of the Commission on Banking and Currency, and said, also, that "the present Canadian monetary system, operated jointly by the Treasury and the banks, has been both adequate and sufficiently elastic for the Dominion's needs." As it appears, however, that we are to have a Central Bank, I am sure that, as stated by the General Manager, the chartered banks of Canada will earnestly co-operate in endeavouring to make the new system a success. They have always wholeheartedly served the various governments of Canada in the administration of our national finances, and may be depended upon to assist in the future, as in the past, to the utmost of their abilities.

Nationalized vs. Present Commercial System

I should like to have seen the Commission analyze, with the insight it displayed on other matters, the question of the socialization, or nationalization, of banking, particularly in view of their well-reasoned statement that "the mechanism of finance is a delicate one, and those to whom is entrusted responsibility for the welfare of the people must proceed with caution in the adoption of changes." The two distinguished British members of the Commission are doubtless fully aware of the strong opposition voiced in the United Kingdom, even by some of the most prominent adherents of the Labour Party against nationalization of banking. Apparently the proponents of this plan recognize that the risk in bank loans would be increased, but it is suggested that this danger could be minimized by a government guarantee of deposits. That is to say, the risk would be saddled upon the general tax-paying public. It is no mere matter of chance that Canadian banks are in so sound a condition after four years of unprecedented world depression. Having given up active bank management some years ago I can pay a somewhat independent compliment to the present General Managers of our banks on the notable tribute which the Commission extended to these institutions in stating that they have given "admirable evidence of security, efficiency and convenience." The question, then, is which is preferable: the kind of bank management we now have, or that which we might expect from the advocates of nationalized banking or their supporters, who notwithstanding the sincerity of their motives or their qualifications for public service, have had no practical experience in banking?

Our Wheat Problems

Again, in 1933, nature dealt a heavy blow to our grain growers. Following an effort to reduce the supply to more manageable proportions, wheat planting was on a descending scale in all the major exporting countries, including Russia. But weather conditions on this continent were such as to damage severely the new crop, and in Europe to cause the second successive extra-bumper yield. The whole chain of events was discouraging, particularly to those who had waited so long for some fortuitous happening which would allow most of the huge accumulation of North American wheat to be moved into consumption channels. Those who continue to pin their faith on a turn of the wheel which would be to Canada's advantage may yet see their hopes realized, for of course there is the possibility of good weather in Canada next season and poor weather in some large wheat-growing countries in the importing group. Furthermore, the United States Government may place practically all of its wheat growers on a domestic production basis and thus remove one competing country from the international market, while the improvement in world industrial conditions and a steady growth in population promise an increase in wheat consumption. Yet I believe that any benefits which might be derived from such influences would be enhanced had the unpleasant facts which I felt bound to point out in former years, and which were instrumental in bringing about the London Wheat Conference Agreement a few months ago, been squarely faced. It is now plain that every importing country has been successful in lessening its dependence on foreign wheat, the movement proceeding so far in Europe as to reduce the foreign purchases of that continent by as much as 200 million bushels per annum. We should lose no opportunity to achieve what every authority in the Prairie Province knows is essential, namely, a better-balanced agriculture; to extend our market by making our wheat more widely known as the best bread cereal; and to impress buyers with our deside to sell all we grow at prevailing world prices.

Government Revenues Increase

After three years of harassing experience with their finances our governments have, by strenuous efforts to reduce their expenditures and through higher revenues resulting from the improved business situation, at last found some relief, slight though it be. Thus the Dominion Government's revenue has increased each month since June over the corresponding months of 1932, while reductions have been effected in controllable and capital expenditure on its own account, as well as on that of the Canadian National Railways. If as good results are shown for the remainder of the fiscal year the budgetary deficit should be reduced by at least 10 per cent. But more than one year of higher revenues and of economy in fiscal and railway expenditures will be necessary to balance the public accounts.

Suggestions to the Government

With this fact in mind, I again make the suggestion of a turnover tax by the Dominion Government in place of the sales tax. Such a tax should, under proper administration, provide a larger revenue than the sales tax. I also repeat a recommendation of earlier years, namely, that some of our administrative bodies be consolidated. Three separate organizations each for the Maritime and Prairie Provinces seem unnecessary, and I am sure that the taxation relief which would follow legislative union would be welcome. Unless such mergers are accomplished taxation will be oppressive, if not intolerable, for many years to come. Indeed, we need not stop at provincial legislative consolidation, but apply it to municipalities as well. Taking all governmental bodies, Dominion, provincial and municipal, into consideration, there is one such body for every 2,500 people, maintained at a cost that absorbs about one-third of the national income. When I first made suggestions along this line four years ago they were not favourably received, but as somewhat similar plans have recently been advocated by others there seems to be a growing interest in the question, which deserves the careful consideration of all the governments of Canada.

The West is not only subjected to excessive taxation through an over-organization of administration, but is hampered by legislation which, while apparently easing the situation of the farm debtor, really tends to damage his credit. I refer to the increasing numbers of Acts which give priority of lien over holders of first mortgages, with the result that an instrument supposedly of first-class security rapidly deteriorates in credit standing and the mortgagor finds it increasingly difficult to secure fresh credit.

The Gold Standard

While I have never defended the gold standard without qualification, I have regarded it, under good management, not only as necessary to the life of international trade, but also as a safeguard against the tragic monetary disequilibrium of today. I venture the opinion that there is not a country off the gold standard that does not earnestly look forward to the time when it can return to it, and incidentally, make better use of it than before. In certain countries the public is exercising its prerogative to determine in what form it shall hold its wealth, and most of the new gold available since last spring has been privately hoarded instead of being added to monetary reserves. It was recently estimated that £70,000,000 in gold was held in safety deposit boxes in the United Kingdom. From the point of view of our metal producers and of our foreign trade this "gold rush" has been advantageous, for it has meant greater financial returns, but even discounting this factor and leaving out of account altogether the price incentive for new exploration, there is progress to record in the Canadian gold-mining industry.

Canada's Gold Production

As part of the development programme undertaken prior to the advance in price, the productive capacity has been raised above even the high level of last year when, based upon the statutory price, the industry had a production value of £70,000,000. More new gold has come this year from base metal mines, the output of which as a whole has risen by 20 per cent, this increase partly offsetting a decline in the production value of the gold fields themselves where operations have been on a larger scale, though on the lower grade ores.

Restored Economic Vitality

I cannot grace the upturn in business with the title of recovery, but a more pleasant outlook is clearly before us. There are two valid reasons for expecting, if not further improvement, at least the maintenance of our present comparatively good position, first, that we have restored our economic vitality mainly by natural methods; and, secondly, that we are a member of the healthiest trade family, the British Empire. Of course, we cannot blind ourselves to the unsettled conditions in the United States, with which we have close ties. We are still in the dark as to the outcome of Mr. Roosevelt's attempts to re-establish prosperity in the United States, and unquestionably the success or failure of his plans will determine to some extent our own progress. And as we are only at the beginning of the voyage of recovery, there is the need of the most skilful navigation. There is much for each of us to do, and, incidentally, not do. I earnestly hope we shall avoid questionable financial practices and the excesses in speculation and the public and private extravagance which were the cause of much of our serious trouble of recent years. If we can keep our heads as well in the future as we did when we suffered the worst effects of depression, our faith in Canada will be found to be fully justified.

GOOD YEAR IN LIVESTOCK DURING 1933

Bacon and Cattle Exports at 1926 Level — Lambs Best Cash Crop

Very real headway in 1933 toward rebuilding Canada's bacon trade with the United Kingdom is the major achievement in the livestock situation in Canada in 1933 according to information given The Financial Post last week by George B. Rothwell, federal livestock commissioner.

According to Mr. Rothwell, total exports of bacon to United Kingdom in 1933 were between 73,000,000 and 75,000,000 lbs. This compares with exports in the calendar year 1932 of 30,693,000 lbs. and constitutes the heaviest export of bacon either to Great Britain or in total, since 1926. This beneficial expansion is reflected in the status of the hog industry in Canada, for at the close of the year live hog prices were from 60 per cent in the east to 100 per cent in the west higher than during 1932. "This remarkable recovery," says Mr. Rothwell, "was made on a total movement of hogs to public stockyards and packing plants, considerably in excess of the volume moved during the previous year."

Live Cattle Exports Gain

Another highlight of 1933, according to Mr. Rothwell, is the expansion of the export trade in live cattle to Great Britain, to 53,006 head as compared with 16,935 head in 1932. This also represents the heaviest export to Great Britain since 1926, and was affected under the increased facilities afforded to Canadian exporters through the Ottawa agreement. The cattle situation, however, according to Mr. Rothwell has not been very attractive and prices at times hit new lows. At the same time the year ended with cattle showing more strength than at any time previous during the year.

"The outlook is for a moderate run of fed cattle but sufficient to take care of current requirements, and so it is expected that prices will be firm to higher for the best end of the stock."

Lambs Best Cash Crop

Lambs were a feature of the market situation throughout the year and were a source of very considerable revenue, standing out as one of the best cash crops of the 1933 market year. Prices were almost consistently strong and the market was firm throughout the twelve months at most centres, particularly in the larger areas of distribution. Prices closed the year at levels which, compared with those of the previous year, were a good indication of the relative strength of the market.

Among the lesser features, but one of very considerable importance, was the movement of dresser beef which, to all outside points for the eleven months to hand, totalled approximately eight and three quarter million pounds, as compared with somewhat less than four million pounds in 1932.

Heavy Dried Cattle Shipment

The total sales of cattle at stockyards for the fifty-two weeks of 1933 amounted to 596.249 head, as compared with 568,870 head in 1932. However, these figures are not indicative of the relative position of supplies moved off farms, since there were much heavier shipments of cattle direct to packers and butchers than during the previous year. The slaughterings at inspected establishments alone for the eleven months show as more than 97,000 head in excess of the same period of 1932, while the slaughter of calves at these same establishments for eleven months show as approximately 51,000 head more than the same period of 1932.

Sales of hogs to yards and plants for fifty-two weeks of 1933 totalled 3,137,024 head, as compared with 3,106,100 head for 1932. Sales of hogs on stockyards alone were less than in 1932, being 1,016.535 as compared with 1,209,642 in 1932.

Sheep marketings amounted to approximately 466,000 head, as compared with approximately 465,000 head, but slaughterings of sheep and lambs at inspected establishments show a much greater difference in favor of 1933, since the total for the eleven months shows as approximately 828,000 head, as compared with approximately 739,000 head a year ago.

Another important development was the very rapid increase in consumer demand for branded beef, the sales for eleven months totalling over 28,000,000 lbs., as compared with less than 20,000,000 lbs. in 1932.

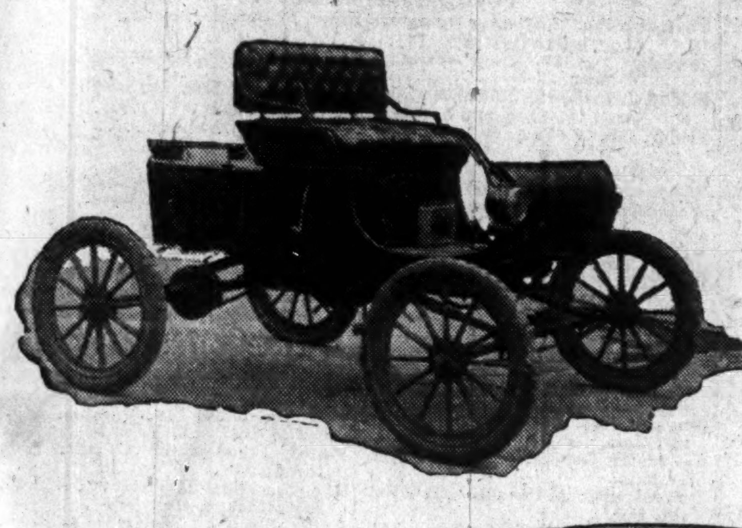
SECOND SECTION

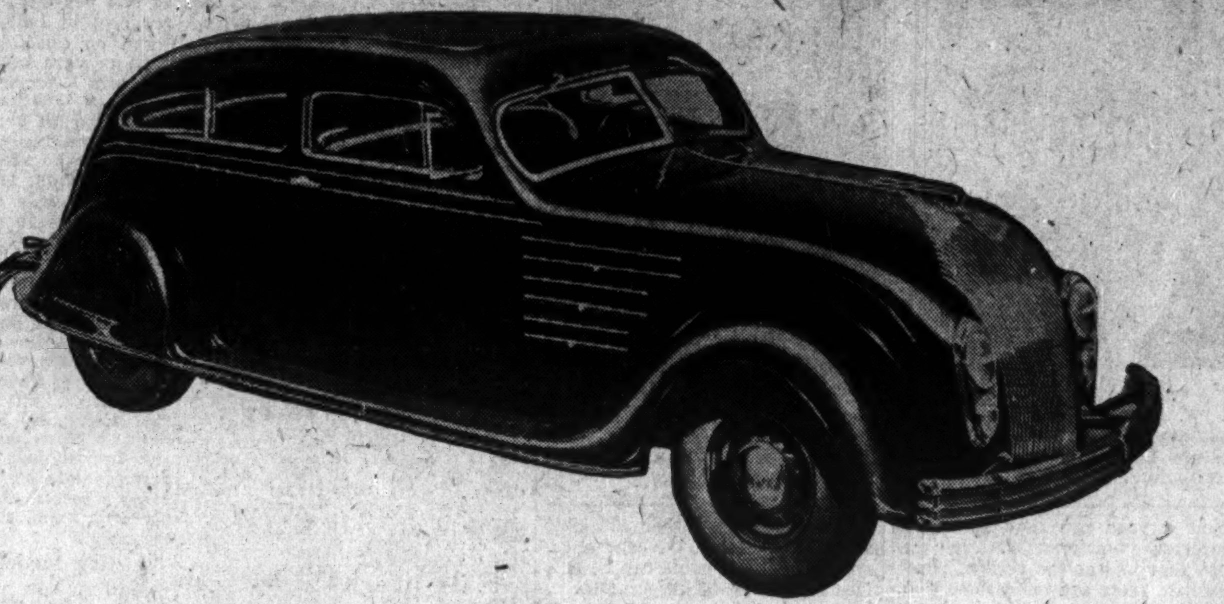
THE FINANCIAL POST

SECOND SECTION

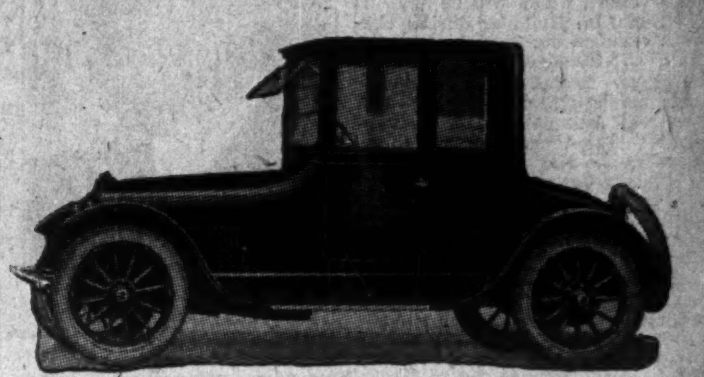
Vol. XXVIII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, JANUARY 13, 1934 | 10c a Copy; $5.00 a Year | No. 2

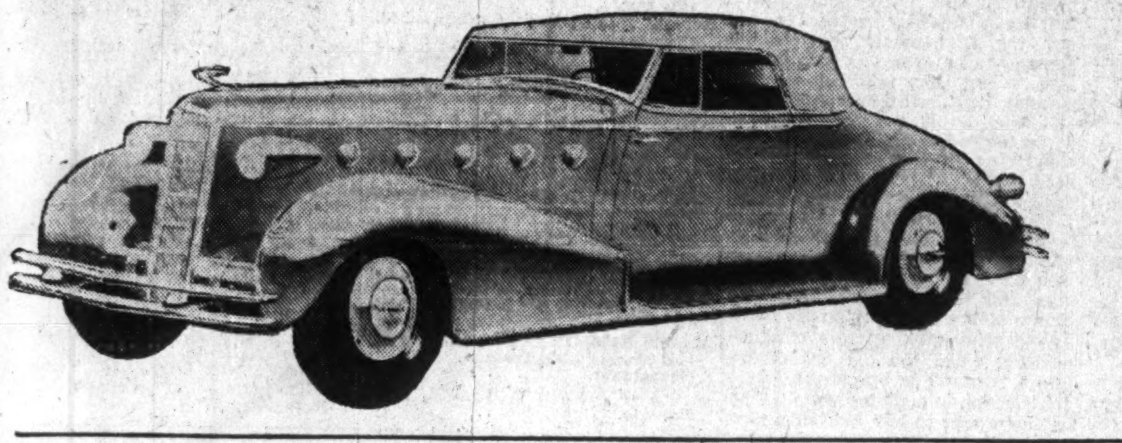
1904



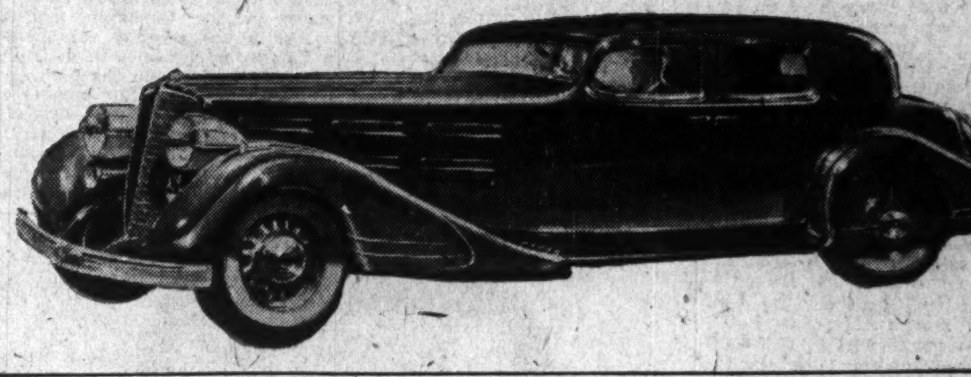


1919





1934



Three of the outstanding automobiles for 1934, as far as streamlining is concerned, are shown in the layout. Above is the Chrysler Airflow Eight Brougham, marking the ultra in the attempt to reduce wind resistance. On the right is the Nash Special Eight Sedan for 1934 and on the left the LaSalle Convertible Coupé with body by Fleetwood.

80% Canadian Cars Over 4 Years of Age 50% Over 6 Years

One Car in Four Approaching or Past Fourth Birthday, Compared With One in Three a Year Ago—Depression Overcoming "Saturation"

RECORD HIGH AGE OPENS NEW MARKET

May Ultimately Mean Boom for Industry, Investors, Car Buyers — Restoration of Purchasing Power May Take Two or Three Years — Sales Prospects Improve as Time Passes

Potential replacement demand for new cars in Canada is at a higher level than ever before, analysis of registrations and sales indicates. It is now estimated by The Financial Post that over 80 per cent of all the cars on the road in Canada are well past or approaching their fourth birthdays, and that over 50 per cent of the cars in use in this country are six years old or more. The Great Depression appears to be providing the cure for the "saturation point" to which considerable prominence was being given in 1928 and 1929.

Four of every five cars in use in Canada are now four years old or more. A little less than a year ago the proportion was put at three in four by The Financial Post, a record at that time.

There appear to be over 800,000 cars, out of an estimated registration of 1,000,000, that could be included in the category of those eligible for replacement. And the 500,000 cars in use that were bought in 1928 and earlier, and which are included in the 800,000, are definitely due for replacement.

As a result of this development, due largely to the depression, the automobile industry may have been given a new lease of life. It may be that a year or two, or three, will pass before the full effects of this potential demand develop. But almost immediate improvement in the industry in 1933, when public confidence in things material was restored, indicates that the demand may come more suddenly than might have been expected a year ago.

Meaning to Industry, Investor, Buyer

The unusual situation that has developed in the last four years has a meaning to the automobile industry, the investor and to the automobile buyer. To the industry it may ultimately mean a return to the strenuously active days of 1928 and 1929; to the investors in motor company and allied securities it may mean good dividends; to the motorists it means that the old car is getting badly out of date as the years roll by.

The principal factor in building a replacement demand is that comparatively few new cars have been bought by Canadians in the last three years. They are driving the old bus. This is shown below:

How Depression Is Building Replacement Demand

Year	Apparent consumption No.	Approaching age Yrs.	Registrations — Total No.	Registrations — Change from previous year No.
1933*	51,000	1	1,000,000	—114,503
1932	49,216	2	1,114,503	— 86,404
1931	76,759	3	1,200,907	— 31,579
1930	131,234	4	1,232,486	+ 43,557
1929	204,967	5	1,188,929	+118,265
1928 or earlier	486,824	6 or more	1,070,664	+124,992

*Estimated by The Financial Post.

From this it would appear that 486,824 cars now in use are six years old or more and 824,025 of them are at least four years old. But since all the cars sold since 1928 are probably not in use, the total of cars of pre-1929 vintage on the road is estimated at 500,000 or more. A heavy allowance is made in the estimate for reduced registrations in 1933. The reason for this is that the changes in registrations have lagged behind the changes in sales. And apparent sales, as shown in the first column, continued at a comparatively low ebb in 1933.

Average Consumption 105,340

Apparent consumption, or estimated total sales, according to the records of the Dominion Bureau of Statistics, and The Financial Post's estimate for 1933, show that average Canadian consumption has been 105,340 cars annually over the last 17 years. This is more than twice the 1933 consumption, and partly indicates what may develop for the industry if and when public purchasing power is restored.

A further indication of the possible improvement from the point of view of the motor industry is evident from the paucity of sales in recent years. Cars wear out. The Financial Post estimates that there were still 1,000,000 cars and trucks registered in Canada in 1933. The peak registration was 1,232,486 in 1930. But even in the depression years of 1932 and 1933 over 1,000,000 cars were kept on the road. Now the average life of a car is variously estimated at from five to eight years. To keep a million cars on the road in Canada, 125,000 new cars would have to be purchased annually, if the average life is eight years. If the average life is five years, total annual purchases would have to be 200,000 cars. This is without taking into consideration the fact that less than 18 per cent of the cars in use in Canada are less than four years old; which would indicate that restoration of public purchasing power might result in an even greater replacement market. Moreover no consideration is given in this to a possible recommencement of increasing total registrations.

New Motor Era

What has happened to the motor industry and purchases of cars during the Great Depression is something new. The industry is too young to have felt it before. Prior to 1929 motordom was an expanding kingdom, still striving to place all the cars that could reasonably be used. And in the latter years of the period there was no small con-

(Continued on page 12)

Automobile Industry Over Three Decades Has Record of Uninterrupted Progress

Great Strides Made in Design of Models to be Shown at 1934 Shows — Riding Comfort and Aero-Dynamic Design Feature New Cars

Nowhere is the progress that is being made throughout the civilized world better exemplified than in the automotive industry. Each year, without fail, manufacturers introduce new features to improve reliability, speed and comfort. True, some of these innovations have later been abandoned as not entirely desirable, but this only brings home more forcibly the fact that nothing is left undone which can in any way add to the comfort of the automobile-using public, lower the cost of operation or increase the general utility of the automobile.

While many manufacturers in other trades continue to turn out year after year almost exact replicas of previous models, every year sees such radical changes in automobiles that in a period of five years a car is so out-dated as to become conspicuous while models of 30 years ago are already museum pieces.

Great Strides Made in 1934

Probably greater strides have been made in 1934 automobiles than in any single year of the history of the industry. Outstanding among the new features in 1934 automobiles — perhaps because the results are more obvious than those of other changes — is the "airflow" design of the Chrysler and DeSoto. During the past three years, streamlining and "aero-dynamic" design have been perfected by almost all manufacturers, but the Chrysler Corporation has gone one further step in 1934 by designing an automobile from head to tail which, it states, accurately follows the lines of least resistance to wind pressure.

It is not suggested that the "airflow" design is entirely new nor that any of the other 1934 innovations have not been previously tested in experimental cars. Burney's "teardrop" car of two years ago, for instance, may be accepted as the forerunner of the "airflow." Automobiles for 1934 do, however, incorporate many new developments for the first time in standard models.

Independent Springing to the Fore

As far as riding comfort is concerned, two great forward strides have been taken. First, independent front wheel springing is introduced in standard "production-line" cars for the first time on this continent. A number of manufacturers, including General Motors, Chrysler and Essex, have incorporated this aid to comfortable and safe driving in their new cars.

There is another change in body and chassis design, which bids fair to become an accepted principle of automobile construction, that is introduced this year for the first time. This change places the engine block some inches forward from its position in previous years and brings the front and rear seats forward. The rear seat is thus placed in front of the rear axle with an improvement in riding comfort resulting. Moving of the engine block forward also makes possible an increase in the body length and consequently in the leg room.

Super-Charger Becomes Standard

Incorporation of a super-charger on the Graham special eight marks the first time on this continent that this aid to speed and acceleration has been fitted as standard on a production job. The Duesenberg, a hand-built special job, in fact, is the only American car to be so equipped. While super-chargers are not likely to become standard equipment on the popular-priced cars, this change by Graham may well be the first of a general trend in the higher-priced lines. Briefly, the action of the super-charger is to supply extra gas to the engine at high speeds and for quick acceleration.

It now appears that General Motors made a "ten strike" when they introduced the Fisher "No-Draft" ventilation system in their 1933 cars. Almost every manufacturer has now adopted some such system of ridding the body interior of smoke and gases and drawing in clean air without drafts. Most of the systems appear to follow the Fisher patent of a two-section front window as closely as possible without infringement, but Ford and Studebaker have adopted a somewhat different system.

Aluminum Cylinder Heads Increase

Super-balloon tires, which manufacturers have attempted to introduce for the past two or three years, are almost entirely passed by in the standard lines of 1934 cars. Only one automobile is fitted with other than the standard balloons, and in this case the oversize tires are not as large as the generally accepted "super-balloon."

Aluminum has taken a more important place in engine construction, more cars being fitted with aluminum pistons, while aluminum and iron combination cylinder heads are fairly general. Many improvements in oiling and cooling systems are introduced on individual makes and many other minor mechanical changes and refinements are added which are more important to the engineer than to the layman.

Altogether, it can be safely said of all automobiles exhibited at the 1934 shows that they will provide safe and satisfactory transportation with more comfort than was dreamed of ten years ago. Few prices have yet been announced but the general trend appears to be slightly higher. Advances of from $15 to $50 in small cars are expected. In almost all makes, a definite and successful attempt has been made to reduce gasoline consumption, while some car manufacturers claim that addition of oil between changes has been entirely eliminated.

Main Floor of the C. N. E. Automotive Building

Show Season Sends Auto Industry Off To Flying Start

Toronto Show Boasts More Exhibitors Than in 1933 and Entertainment and Convention Programme is Also on a Larger Scale

GOVERNOR-GENERAL TO OPEN EXHIBITION

Motor Show Calendar Makes Busy Week for Automotive Men With Morning, Noon and Night Meetings Scheduled — More Than 75,000 Persons Will View the Exhibits in Toronto

Opening of the National Motor Show in Toronto on January 13 marks the Canadian debut of the 1934 models of motordom. Not only will the show feature the latest in automotive design but every attempt has been made to add color and life to this national event and an attendance of 75,000 people is expected during the seven days that the show is in progress. Not only will there be more exhibitors than in previous years, but there will be more activity, more features to attract the public and more meetings for the industry. The spacious Automotive Building of the Canadian National Exhibition will be the scene of this activity which will get the industry off to a flying start in a year for which increased sales and prosperity are predicted.

Sponsored by the Canadian Automobile Chamber of Commerce, the show will have more than 35 exhibitors of automobiles, trucks and automotive equipment and accessories. Outstanding features of the show will be the radical and even startling advances in mechanical and body design but the background of this display will be kaleidoscopic in its variety and color. New decorative effects for the interior of the entire building, a new Terrace Garden that will accommodate 800 couples at the supper dances, a cabaret show twice daily and the first presentation of new fashions for winter resort and spring wear bring new life and gaiety to what has always been a lively scene. Canadian Westinghouse will present a display of mechanical robots from the World's Fair. Ample free parking accommodation will be supervised by the Toronto police.

Governor-General Attends

His Excellency, the Earl of Bessborough, will officiate at the formal opening ceremony on Saturday, January 13. On Friday, January 19, His Honor the Lieutenant-Governor, Dr. Herbert Bruce, will visit the show and occupy the Vice-Regal box. Each evening there will be a dinner dance with Don Romanelli's orchestra, a floor show and a fashion revue. In the afternoons, tea will be served in the new Terrace Gardens and the fashion show will be presented at that time as well as in the evenings. Broader interest in the show is attested by the fact that the annual dinner dance of the Toronto Flying Club will be held in the Terrace Gardens on January 16 while the officers of Military District Number 2 will hold a Garrison Night on January 17.

This national show again offers automotive men the opportunity of combining business with pleasure. Probably the most important of such gatherings will be the National Motor Show dinner given at the Royal York Hotel on January 16 at which C. F. Kettering, inventive genius of the industry and vice-president of General Motors in charge of research, will give the principal address. Other dinner or luncheon meetings will be held by members of the Ontario Motor Truck Owners' Association, the Ontario Association of Motor Coach Operators, the Automotive Transport Association, the Garage Operators' Association, the Toronto Automobile Trade Association and the Society of Automotive Engineers. Chrysler, General Motors, Studebaker and Hudson-Essex organizations will also meet.

Directors of the Canadian Automobile Chamber of Commerce consist of D. R. Grossman, vice-president and general manager of Studebaker Corp. of Canada; H. A. Brown, vice-president and general manager of General Motors of Canada, Ltd.; John D. Mansfield, president and general manager of Chrysler Corp. of Canada; A. E. Barrett, president of Hudson-Essex of Canada Ltd., and T. A. Russell. The committee in charge of the show consists of P. J. Duggan, chairman; A. D. O'Donnell and J. L. Stewart (general manager of the C. A. C. of C.) together with the above directors.

Good Programme

The calendar of the National Motor Show, including meetings to be held in hotels, is as follows:

MOTOR SHOW CALENDAR

Automotive Building:

Saturday Jan. 13—Opening Ceremonies, His Excellency the Earl of Bessborough officiating	9 p.m.
Monday, Jan. 15—Ontario Motor Truck Owners Assoc., Annual Dinner and Meeting	Night
Tuesday, Jan. 16—Ontario Assoc. of Motor Coach Operators, Luncheon	Noon
Tuesday, Jan. 16—Annual Dinner Dance of the Toronto Flying Club	Night
Wednesday, Jan. 17—Automotive Transport Assoc. Dinner Meeting	Night
Wednesday, Jan. 17—Chrysler Corp. of Canada Limited, Service Clinic and Luncheon (Chrysler Plymouth)	Noon
Wednesday, Jan. 17—"Garrison Night," by permission the District Officer Commanding officers of M.D. No. 2 will attend the Dinner Dance in uniform	Night

(Continued on page 12)

RECORD CROWDS EXPECTED TO SEE MONTREAL SHOW

Quarter - Century - Old Motor Exhibition Prepares for Big Year

Final preparations are now being made for the annual Montreal Motor Show, which will be held in the Sun Life Building during the week commencing January 22.

P. O. Messier and Adelstan Levesque, respectively president and managing director of the Montreal Automobile Trade Association, the organization which sponsors the National Motor Show of Eastern Canada which has been held every year in Montreal for the past quarter of a century, attended the opening of the New York show with a view to completing details.

During their stay in New York the M. A. T. A. officials concluded arrangements with various exhibitors whereby a large number of the new models exhibited in New York will be sent direct to the Montreal show.

Expect Record Crowd

Judging by reports the opening of the New York Motor Show was a success and the number of visitors is expected to compare very favorably with previous years. This is regarded as an encouraging omen, for if the New York public is interested in automobiles, there is no reason why the Montreal public would not be equally attracted by the local exhibit.

According to Adelstan Levesque out-of town visitors will be more numerous than ever since the Montreal Motor Show coincides with special excursions organized by the railroad companies from various towns throughout Quebec, the Maritime Provinces and from Ontario, as well as from the New England states. Montreal hotels will also grant special rates for out-of-town visitors during the week of the motor exhibition.

AUBURN 6, 8, 12

Two New Sixes Added to Line This Year

Two new lines of six cylinder cars are offered in 1934 by Auburn in addition to the new eights and the salon-twelve line. These sixes are entirely new and designed along the lines of the more powerful eight models. Foremost among the new features of the sixes are all steel, unit weld body structure, a newly designed controlled ventilation system, new type shock absorbers, and new Lycoming power plant on a chassis with a 119-inch wheelbase.

Startix is standard equipment on the Custom model six. The engine starts when the switch key is turned and restarts automatically in case of stalling. An axle of the semi-floating type, with all pinion-differential gears and axle shafts carried on tapered Timken bearings has been adopted for both sixes with the drive to spiral bevel gears.

Add New Ventilation

Draught free controlled ventilation is introduced by Auburn on its sixes as well as the other models. It consists of a two-section front window and sliding rear windows. The front windows may be operated as a unit as in the conventional window and the front section only may be raised or lowered.

CADILLAC

"Knee-Action" Front Wheels Added to Cadillac Lines

Three Cadillacs, the V-8, V-12 and V-16, are continued in 1934, the two former being standard lines and the latter being a custom-built car limited to production of 400 in the United States in 1934.

General Motors' patented "knee-action" front wheels are standard on all models. The V-8's have bodies by Fisher with Fleetwood bodies optional while Fleetwood bodies are standard on the other two lines. All three lines have Fisher "no-draft" ventilation.

Body lines lessen wind resistance and also eliminate air noises. All bodies are two inches lower and Fleetwood bodies are from two to four inches wider in the compartments.

Higher Compression

Crankshafts and cylinder heads are heavier. Carburetor intake is now through the radiator core top, lowering intake temperatures and feeding more air to the engine. Compression has been increased from 5.4 to one to 6.25 to one on the V-8 and to 6.0 to one on the V-12 and V-16. Dual valve springs are now used in the V-8 as well as in the V-12 and V-16, increasing power at higher speeds. Pistons of a new alloy, weighing from 12 ounces on the V-16 to 15 ounces on the V-8, and toughened by a new plating process, reduce loads on bearing parts. Improved piston and ring designs reduce oil consumption.

REO

Self-Shifting Device Outstanding in Exhibit

Reo is featuring the self-shifting device developed by its engineers last May, and since perfected through practical use.

Reo's self-shifting mechanism automatically selects the proper gears for different operating conditions, going into low or high according to the power or speed required. In addition to eliminating the task of shifting gears, the automatic shifter is said to add an element of safety by permitting the driver to concentrate on steering.

Three for Front Seat

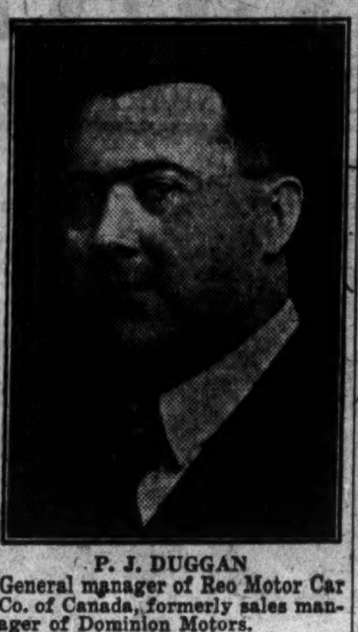
With the elimination of the gear lever and removal of the parking brake to a position on the left and well forward of the driver, thus leaving the front compartment unencumbered, it is possible for three persons to ride in the front seat without discomfort, it is asserted.

Jerking and bucking in traffic, and stalling, are said to be eliminated by the automatic changing device.

Board of Directors For Toronto National Show

J. L. STEWART
General manager of the Canadian Automobile Chamber of Commerce.

A. D. O'DONNELL
Director of the firm of O'Donnell Mackie Ltd., Toronto, automobile distributors.



P. J. DUGGAN
General manager of Reo Motor Car Co. of Canada, formerly sales manager of Dominion Motors.

BRITISH FIRMS SEE CANADIAN MARKET AS PROFITABLE ONE

Austin and Morris Have Big Plans for Future

Attempts by British automobile manufacturers to obtain a footing in the Canadian market have been going on for many years and until about a year ago they had been uniformly unsuccessful. In the past year and at the present time, however, there are indications that a more aggressive policy is under way and that a sustained effort will soon be made to definitely obtain a share in the Canadian market.

Austin has already established a number of agencies in different parts of Canada and has been successful in selling a fair number of passenger and small delivery trucks. The Austin organization in Canada has, for the first time for British cars, a complete line of parts and accessories so that the chief problems in other attempts has been overcome. Of course, repairs and replacements can be only affected, in the larger centres.

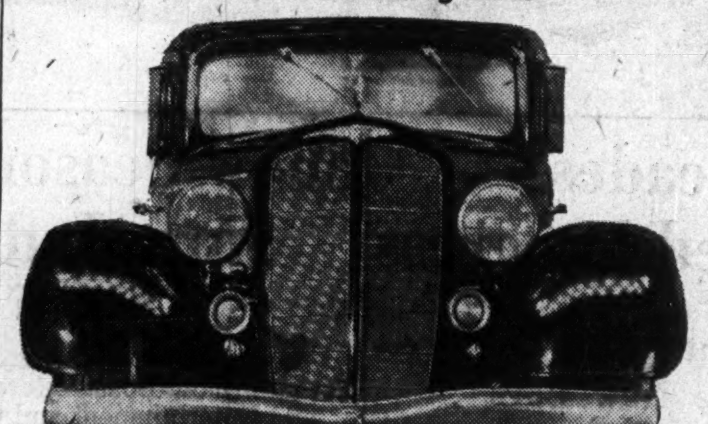
May Lease Plant

Armstrong-Siddeley have a branch in Ottawa, an expansion from an airplane engine agency which has been established there for a number of years. This firm has not made much attempt, however, to carry on its operations throughout the country.

What would be by far the most important step to be taken by British manufacturers is at present in the negotiations stage, The Financial Post understands. Morris Motor Car Co. have been in touch with Dominion Motors, it is stated, to purchase or lease a part of their plant outside of Toronto for the manufacture of Morris cars in this country. First negotiations fell through owing to price but it is rumored that Morris is still interested.

Several other British manufacturers have made enquiries in Canada with regard to establishing selling agencies but only Austin and Morris have contemplated entering the Dominion in an extensive manner. Austin plans for the future include an assembly plant in the Dominion, an Austin official told The Financial Post some time ago.

Power and Pleasing Lines



The 1934 line of Buicks, while remaining fairly close to conventional design as far as lines are concerned, show many refinements from the previous year. Knee-action front wheels are featured.

BUICK

Three Series, Twenty-Seven Models in 1934 Range

Streamlining of a conservative type distinguishes the 1934 McLaughlin-Buicks, the over-all appearance being very much along the lines of the past two years. There are three series—differentiated by length of wheelbase and engine power—and twenty-seven models.

In order to include individual front-wheel suspension of the patented "knee-action" type, the entire chassis has been redesigned. More nearly equal distribution of weight between the front and rear of the car permits the front and rear spring assemblies to assume approximately an equal amount of spring duty.

Independent Springing

Each front wheel is independently carried on an individual, frictionless coil spring. The conventional front axle and stiff leaf springs are absent, the former being replaced by a special front cross-member, the latter by the coil springs and the "V"-shaped arms that are carried above and below them and from which the wheels are suspended, each as a unit in meeting and cushioning any possible road shock. Roll or sway is prevented by a ride stabilizer or spring steel bar, mounted just ahead of the rear cross-member.

Air cushion tires, new in design and carrying low air pressures, are used. Brakes are a Vacuum Servo mechanism.

Synchromesh transmissions have been improved by the adoption of helical gears, silent in all speeds—first, second and reverse. Gear-shifting is accomplished by a shorter movement of the control lever.

The handle of the octane selector is mounted at the left side of the instrument board, it making possible the use of either standard or premium gasolines as fuel. There is an automatic spark advance mechanism of the vacuum type.

Valve-in-Head Engines

The 1934 Straight Eights are all powered with the valve-in-head engine. Power output has been increased in all three series. Horsepower in the 50 series has been increased to 88, in the 60 series to 100 and in the series 90 to 116. This has been accomplished by increasing the cylinder bore in the series 50 and 60 and in the series 90 by raising the compression ratio. All McLaughlin-Buick engines are mounted in rubber at five points.

The dual-controlled automatic starting mechanism is operated from the accelerator pedal. Automatic choke control, cold idle control and automatic heat control are additional features.

No-Draft Ventilation

Fisher no-draft ventilation is standard on all cars. In the 1934 lines there are deflectors over the tips of the front ventilators which prevent the entrance of draft, rain or snow when the ventilators are open.

There are eight types in the 8-50 series on 119-inch wheelbase, nine in 8-60 on 128-inch, and 10 in the 8-90 on 136-inch.

CHEVROLET

"Blue Flame" Cylinder Head Featured on 1934 Models

One of the most important improvements effected in the Chevrolet motor for 1934 is the "blue flame" cylinder head, development work on which was started over three years ago. The possibilities of this new type of head design were discovered when Chevrolet engineers were asked to design a race-type engine with a very small engine displacement and which would deliver exceptionally high power, the manufacturers state.

Chevrolet 1934 power plant is not only more powerful but smoother, quieter and more economical than any of its predecessors, according to the manufacturers. It has the same bore and stroke as last year but has a maximum output of 80 h.p. at 3,300 r.p.m.

The new front spring unit or "Knee Action" and the double action hydraulic shock absorbers are bathed in oil in an enclosed solidly welded housing attached rigidly to the frame. From this housing the wheels swing vertically at the end of strong steel horizontal arms.

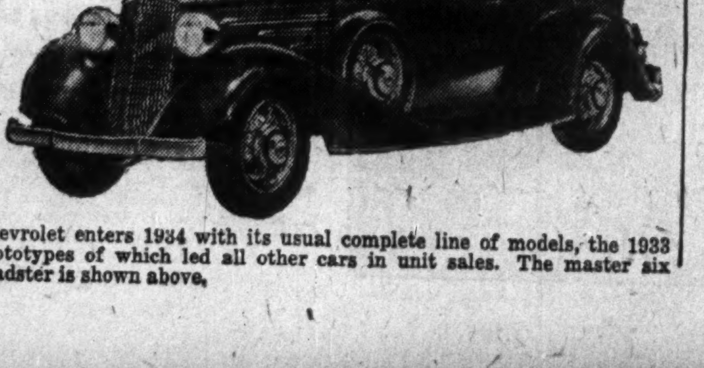
A new distribution of weight in which the engine is located far forward and the rear passenger sits slightly in front instead of above the rear axle combines with "Knee Action" to make the ride of the new 1934 Chevrolet smooth, comfortable and enjoyable.

No-draft Continued

Fisher no-draft ventilation is incorporated in all closed body types. All bodies are approximately 3¾ ins. longer, with the cowl lengthened 1¾ ins. and 2 ins. added to the width of the enclosed body front doors. Wheelbase on all models is 112 ins.

As usual a complete line of models is available in the 1934 Chevrolets.

Chevrolet Has Complete '34 Line



Chevrolet enters 1934 with its usual complete line of models, the 1933 prototypes of which led all other cars in unit sales. The master six roadster is shown above.

80% CANADIAN CARS OVER 4 YEARS OF AGE 50% OVER 6 YEARS

(Continued from page 11)

sideration given to saturation of the market. Perhaps saturation had developed. But it has been pushed several years farther away by the greatly restricted distribution of new cars since 1930.

Some indication of how cars have been taken off the road in Canada in the last 14 years is given below:

CARS WITHDRAWN FROM USE

Year	Apparent consump. No.	Change in registrations No.	Taken out of use No.
1933* ...	51,000	—114,503	165,503
1932 ...	49,216	— 86,404	135,620
1931 ...	76,759	— 31,579	108,338
1930 ...	131,234	+ 43,557	97,677
1929 ...	204,967	+118,265	86,702
1928 ...	209,607	+124,992	84,615
1927 ...	157,832	+108,878	48,954
1926 ...	158,577	+108,789	49,788
1925 ...	102,110	+ 75,884	26,226
1924 ...	84,900	+ 67,071	17,829
1923 ...	88,666	+ 71,229	17,437
1922 ...	74,372	+ 48,443	25,929
1921 ...	62,536	+ 58,306	4,230
1920 ...	79,735	+ 65,748	13,987

* Estimated by The Financial Post.

The apparent consumption represents the net number of cars kept in Canada out of the total number produced and imported by this country. If registrations increase by less than consumption, clearly the inference is that the difference represents cars taken off the road. And if registrations decrease, the sum of the consumption and the decrease in registrations should represent cars removed from use.

The table shows how tremendously the number of cars "taken out of use" has increased in the depression years. The large number withdrawn from the road in 1928, 1929 and 1930 is perhaps an indication that, in prosperity, motorists and dealers were scrapping cars with abandon. In 1931, 1932 and 1933, however, the proportion of cars "taken out of use" to consumption increases enormously. The ratio in 1930 was high, at 74.4 per cent, but rose to 324.5 per cent in 1933, the latter being based on estimated figures. The ratio of cars taken out of use to apparent consumption between 1920 and 1929 had varied between seven and 40 per cent.

The meaning of this is evident to those who are in, or who have been studying, the automobile industry. People are storing their cars, or dealers are storing them, or old cars are being scrapped. Undoubtedly storage of cars by owners and by dealers must account for much of the decrease in cars in use.

The cost of buying gas and oil, paying gasoline tax, paying for license plates and drivers' permits has brought about lessened use of the cars of Canada. This is one of the economies that many hard-pressed individuals have made. If the impecunious have sold their cars, dealers have stored them. In cases where dealers have not kept them on hand, the cars have been scrapped.

How Buying May Come

How public purchasing power will be sufficiently restored to allow the tremendous replacement demand to be even partly filled, is less evident than that the demand is being built, or already exists. If and when public purchasing power is somewhat restored, it may be that some of the cars that have been laid up will come out into the open air.

The first thought of the economical Canadian who laid up his car will perhaps be to bring it back into use. But judged by the new standards his car will be obsolete. So are most of the cars on the road. The psychological effects of comparison, when the old bus draws into a traffic line beside the latest 1934 model, is a strong urge to the old-car-owner to buy himself a new one. New car consumption has not yet indicated that a boom in motor industries, motor dividends, motor sales is immediately imminent. Nevertheless the figures show that buying may be deferred for only a short time; and that it may grow even more rapidly than growth of purchasing power. The motor car has become virtually a necessity; the evidence of this being the comparatively large number that have been kept in use during the depression.

SHOW SEASON SENDS AUTO INDUSTRY OFF TO FLYING START

(Continued from page 11)

Thursday, Jan. 18—Garage Operators' Assoc. of Ontario, Meeting and Luncheon (DeSoto)	Noon
Thursday, Jan. 18—Garage Operators' Assoc. of Ontario, Meeting and Dinner	Night
Friday, Jan. 19—His Honor the Lieut. Governor and Mrs. Bruce will visit the Show and occupy the Vice-Regal Box	Night
Friday, Jan. 19—Toronto Automobile Trade Assoc., Luncheon	Noon
Hotels:	
Tuesday, Jan. 16—National Motor Show Dinner, C.A.C.C., Royal York	Night
Wednesday, Jan. 17—General Motors (Ontario) Dealers Banquet, Royal York	Night
Wednesday, Jan. 17—Chrysler Corp. of Canada, Ltd., Luncheon, Royal York	Noon
Wednesday, Jan. 17—Studebaker Corp of Canada, Ltd., Luncheon, Royal York (Venetian Room)	Noon
Wednesday, Jan. 17—Hudson-Essex of Canada Limited, Luncheon, Royal York	Noon
Thursday, Jan. 18—S. A. E. Dinner, Royal York	Night

List of Exhibitors at National Motor Show 1934

Ground Floor:

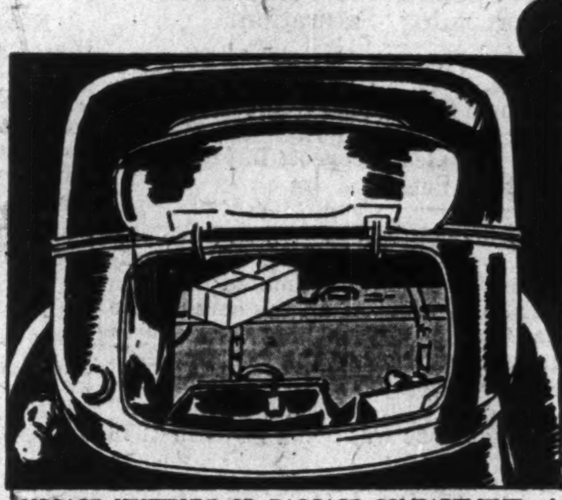
Chrysler Corp. of Canada Ltd., Windsor, Ont.
Reo Motor Car Co. of Canada, Ltd., Toronto.
Ford Motor Co. of Canada, Ltd., Windsor, Ont.
General Motors of Canada, Ltd., Oshawa, Ont.
Hudson-Essex of Canada, Ltd., Tilbury, Ont.
The Studebaker Corp. of Canada, Ltd., Walkerville, Ont.
Pierce-Arrow Motor Co. of Canada, Ltd., Walkerville, Ont.
Packard-Ontario Motor Co. Ltd., Toronto.
Associated Equipment Co. of Canada, Montreal, Que.
Hupp Motor Corp., c/o O'Donnell Mackie Ltd., Toronto.
Automobile & Supply, Toronto.
Gotfredson Trucks, Toronto.
E. P. Clarkson & Associates, Toronto (Austin).
Auburn Automobile Co., c/o O'Donnell Mackie Ltd., Toronto.

Mezzanine:

Collins & Aikman of Canada, Ltd., Toronto.
Dewey & Almy Chemical Co., Farnham, Que.
Dominion Diesel Ltd., Toronto.
Imperial Oil, Ltd., Toronto.
Philco Products of Canada, Ltd., Toronto.
The Canadian Raybestos Co. Ltd., Peterborough, Ont.
Auto Electric Service Co. Ltd., Toronto.
Prest-O-Lite Storage Battery Co., Toronto.
United Motor Service, Inc., Toronto.
Perfect Circle Co. Ltd., Toronto.
Canadian Westinghouse Co., Ltd., Hamilton, Ont.
A. H. Kinzinger, Toronto.
Allanson Armature Exchange Co., Toronto.
Flexo Piston Ring Co., Toronto.
Shell Oil Co. Ltd., Toronto.
Canadian National Carbon Co. Ltd., Toronto.
George Watson Co., Toronto.
Gray Forgings & Stampings Ltd., Toronto.
Victor Radio Co. (His Master's Voice), Toronto.
Rogers-Majestic Corp. Ltd., Toronto.
Bendix-Eclipse of Canada, Ltd., Walkerville, Ont.

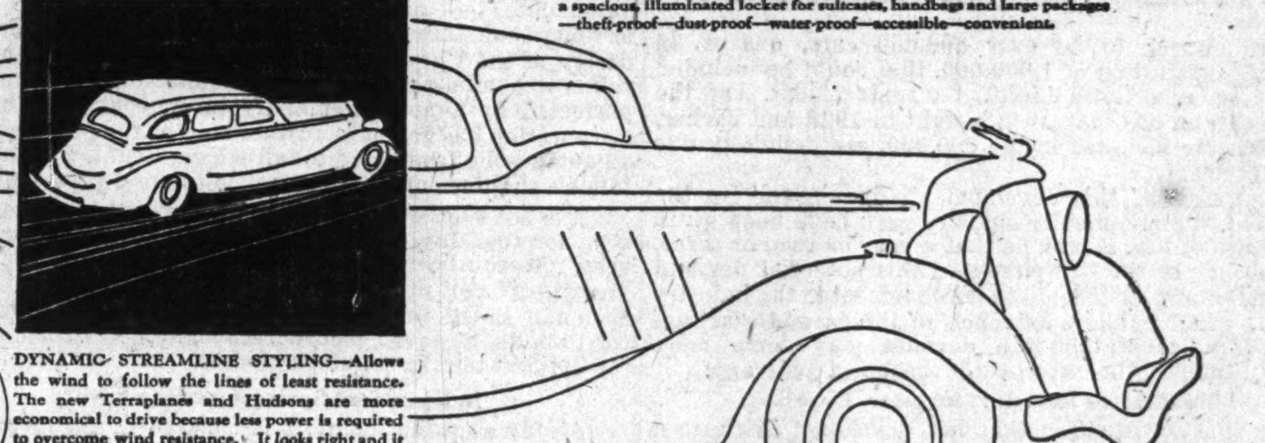
Did you see THIS?

A few of the many features which make the new 1934 Terraplanes and Hudsons the outstanding cars of the Motor Show.



LUGGAGE VESTIBULE OR BAGGAGE COMPARTMENT—A separate vestibule for spare tire and parcels, or, in compartment models, a spacious, illuminated locker for suitcases, handbags and large packages—theft-proof—dust-proof—water-proof—accessible—convenient.

and THIS?



DYNAMIC STREAMLINE STYLING—Allows the wind to follow the lines of least resistance. The new Terraplanes and Hudsons are more economical to drive because less power is required to overcome wind resistance. It *looks* right and it *is* right.

DID YOU SEE THIS?

COMPLETE VENTILATING SYSTEM—Every passenger gets fresh air by a slight turn of the front wind-deflector handle, or the rear sliding-window handle. A two-finger touch locks the windshield in any of three open positions. A light push opens the wide cowl ventilator. Wind-deflectors become wind scoops, or disappear completely into the door—an exclusive feature of all Terraplanes and Hudsons.

and DID YOU SEE THIS?

"AXLEFLEX" independent front wheel springing, a Hudson development that retains all of the safety of a front axle and the added advantage of the use of full non-skid tires. Available on all Terraplanes and Hudsons.

The 1934 Canadian-built Terraplanes and Hudsons are a complete motor show in themselves. They incorporate every important, practical development in the automotive industry. More, too! They embody principles found in *no other cars,* unit-engineering, aeroplane ratio of power-to-weight—to list them all would require a catalogue.

But your enthusiasm on examining these cars will be nothing as compared with the thrill you'll get when driving them. They are the most powerful cars in their price fields. That means performance—getaway—hill-climbing ability such as you've never dreamed of. Just get behind the wheel and drive. Once around the block and you'll know the difference.

THE 1934 TERRAPLANE 6—112" wheelbase, 80 horsepower; 116" wheelbase, 85 horsepower. Bigger—more powerful—more rugged. Individualized road-levelling equipment. Heavier patented splayed springs. Oversized, low-pressure tires. Lowest fuel and oil cost per horsepower.

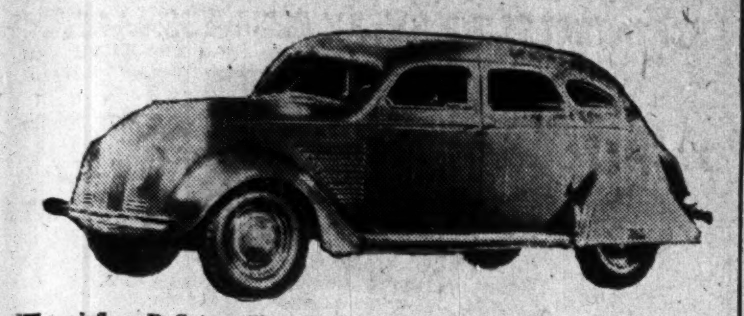
THE 1934 HUDSON 8—116" wheelbase, 108 horsepower; 123" wheelbase, 113 horsepower. The 1934 ultimate in speed and power—wind-sculptured beauty of double steel. Air lines of speed and power—all Terraplane features—PLUS! Now in a radically new low price range.

HUDSON-ESSEX OF CANADA, LIMITED, *Tilbury, Ontario*

Canadian Built
TERRAPLANES
The THRILL of the Lowest Price Field
& HUDSONS
The Performance and Price Surprise of the Year

See the new 1934 Terraplanes and Hudsons at the National Motor Show, Automotive Building, Toronto—January 13th to 20th.

Will Draw the Crowds



The airflow DeSoto will undoubtedly be one of the chief centres of interest at all 1934 motor shows. Its radical design follows scientific principles for reducing wind resistance.

CHRYSLER 6 AND 8

"Airflow" Design Makes Possible Many Refinements

Chrysler's 1934 presentation includes a series of "Airflow" Chryslers—six, eight, Imperial and Custom Imperial—as well as a Chrysler six of advanced but more conventional design.

Study of the "Airflow" body design from the illustration appearing in this issue is undoubtedly the best way to appreciate the changes that have been made from the conventional lines. The changes in engine and chassis design are, however, not so noticeable.

In the old design the engine, the heaviest unit in the car, was behind front axle, actually riding in the most comfortable position on the chassis. In the "Airflow" Chryslers this mass weight is over the front axle, in a position about 20 inches forward of the ordinary position.

Eliminate Pitching

This new distribution of weight is calculated to eliminate pitching and bouncing of the car. It permits the use of front springs 10 inches longer than conventional front springs. It also allows the placing of the rear seat 20 inches in front of the rear axle instead of over it as formerly. Passengers are thus riding nearer the centre of rotation or point of least perpendicular motion. This, together with the new weight distribution, new rigid principles of body construction, and new spring suspension results in what Chrysler calls the "floating ride."

Due to "Airflow" type of construction, the bodies are larger, doors are wide as house doors, front, rear and side vision is greatly increased. The sedans are six passenger cars, the coupés five passenger cars.

New Ventilating System

A new ventilating system permits the lowering of the entire window, including the ventilating system. The two windshield sections are opened by means of a crank. The new eight cylinder cars are equipped with a special booster brake mechanism, all cars are fitted with hydraulic internal expanding brakes with a new type wheel cylinder.

The "Airflow" Chrysler eight is pulled by an engine of 116 h.p. and has a wheelbase of 123 inches. The engine has a bore and a stroke of 3¾ by 4¼ inches. The eight is equipped with a new improved automatic choke and manifold control.

The "Airflow" six has 100 h.p. engine with aluminum high compression cylinder head and bore and stroke of 3⅜ by 4½.

The "Airflow" Custom Imperial is mounted on a 146-inch wheelbase and has an engine of 150 h.p.

Conventional Six

In addition to the line of "Airflow" sixes and eights, Chrysler will continue its medium priced six. This car will show an increase in power over the present listings and will contain a number of engineering refinements including a new type of internal hydraulic brake, the new ventilating system and larger bodies with wider doors. The wheelbase of the new Chrysler six will be 118 inches and the engine will develop 93 h.p. This new Chrysler will also have independently sprung front wheels.

"AIRFLOW" DESOTO

Radical Changes in Design Feature 1934 Models

Undoubtedly one of the foremost attractions in the automobile world this year is the De Soto. Traditional forms in construction and lines are left behind in the design of the 1934 "airflow." The new cars comprise the entire De Soto line for 1934; they are offered in three body styles—the six-passenger four-door sedan, the six-passenger two-door brougham, and the five-passenger coupé.

About 40 per cent less wind resistance is claimed for the "airflow" body design, the line adopted being the result of experiments on a plastic mass placed in a wind tunnel through which wind was forced at high speed. The front of the car is rounded to bore through air currents and radiator is concealed behind a chromium grille. Head lamps are sunk into the body, and the fenders form a part of the streamlined shape.

Change Motor Position

In the chassis design, the most important change is that the motor is placed over the front axle instead of behind it. This allows an entirely new distribution of weight. The rear seats are not over the axle but 20 inches in front of it.

The front seat of the new car is eight inches wider and seats three people comfortably. The rear seat is also wider. Seats are cradled on chromium tubing, like modernistic chairs. These chassis and body changes along with some other improvements contribute to what the company calls the "floating ride."

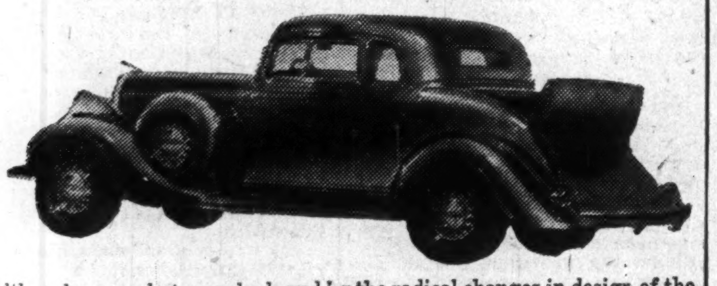
It is claimed that the engine being over the front axle and with longer and stronger springs, the weight holds down the front end of the car when the wheels strike an obstruction. Thus, when the rear wheels hit the same bump the weight is so distributed that it allows the "airflow" De Soto to balance itself and absorb in the spring suspension system the road shocks which would ordinarily be imparted to the passengers.

Side Ventilators Optional

Standard ventilation is accomplished by two cowl ventilators. Patented side window ventilators are, however, optional. As the front seat is mounted above the floor air currents from the front are pushed through the front compartment under the seat and up through the rear compartment.

The six cylinder motor develops 100 h.p. with an aluminum cylinder head standard on all models. It incorporates the "floating power" design of other years. Other features are an automatic choke, an automatic manifold heat control, a carburetion accelerator pump connected with the foot accelerator which enriches the mixture momentarily for quick pick-up. Free wheeling and automatic clutch are, of course, standard equipment.

Dodge Follows Conventional Lines



Although somewhat overshadowed by the radical changes in design of the DeSoto and Chrysler, the Dodge exhibit will draw its quota of interested patrons. The improved draftless ventilation system is well shown in the above picture of the Model "D. R."

DODGE SIX

Larger Engine Fitted to Dodge for 1934

Dodge, which made such an astounding advance in total sales in 1933 as compared with the previous year, shows few radical changes in 1934. On both the engine, chassis and body, the major changes are refinements from 1933.

Ventilation includes improvement in windshield operation mechanism as well as in that of the cowl ventilator. The control of the 20 deg. windshield consists of a flexible steel band which unwinds in opening the window and winds up when the windshield is closed by turning from a crank mounted on the centre of the instrument panel. The window mounted ventilator consists of butterfly type safety glass wings that may be swung about by means of controls. In the rear quarter windows of coupés, broughams and sedans the windows are entirely of the ventilating butterfly type.

Large Engine

The engine of the 117-in. wheelbase suspended by floating power engine mountings has been increased to 3¼ by 4⅜ inch bore and stroke. The engine of the 114-inch wheelbase, suspended by floating power engine mountings has 3⅛ in. by 4⅜ inch bore and stroke and develops 77 h.p.

New Motors Sold Exceed in Value Record in 1932

Sales of new automobiles, trucks and buses numbered 1,315 in November a 10.4 per cent increase over units sold in November, 1932, while retail value of sales, at $1,402,978 was up 21 per cent. November was the fifth consecutive month in 1933 that unit volume of sales was higher than in the corresponding period of 1932 and the sixth month of increase in dollar value of sales. Chief gain was in new automobiles which numbered 989 for an increase of 12.4 per cent over unit volume in November, 1932. Trucks and buses to the number of 326 were sold, an increase of 4.8 per cent.

Both in unit and dollar volume of sales the November figures were at a seasonal low for 1933. The seasonal peak, attained in May, was under that of 1932 but 1933 figures will practically equal 1932 figures of number of new cars sold while value of sales will be exceeded. In the first 11 months of 1933 a total of 44,365 new automobiles, trucks and buses were sold as compared with 44,832 units in the same period of 1932. Value of new sales in this period of 1933 was $44,408,126 as compared with $44,211,510 in the corresponding period of 1932.

NATIONAL MILK ASSETS ARE SOLD

Order for the sale of the assets of National Milk Products Ltd. to Cow & Gate (Canada) Ltd., for $12,000, has been granted by Justice Armour. The amount realized will not be sufficient to remunerate the National Trust Co., which has acted as receiver and manager, and had advanced $7,000.

The company, a subsidiary of Canada Dairies Ltd., was financed in October, 1926, by the issue of $150,000 of 6½ per cent bonds. In addition there was $150,000 of seven per cent first preferred stock and 10,500 shares of common stock. The plant at Gananoque, Ont., was devoted to the manufacture of dairy products, principally milk powder. The company failed to pay bond interest due September 15, 1929, and passed into receivership with National Trust Co., trustee for the bonds, as receiver.

G. R. Munnoch, K.C., acting for the National Trust Co., stated upon applying for court order of sale:

"The company got into difficulties through the imposition of tariffs in the U. S. The court authorized the plant to be closed up. The amount realized by the sale will not let the receiver and manager out. The property is subject to $4,000 taxes and the town is threatening to sell. The National Trust Co. will be $2,000 out of pocket without charging anything for its services. The whole trouble arose out of issuing bonds for $150,000 against goodwill instead of assets."

Manitoba Produces More Butter

The eleven months' output of creamery butter in Manitoba amounted to 18,849,239 pounds as compared with 18,194,435 pounds during the similar period of 1932—an increase of three per cent.

Cattle Exports Treble

Cattle exports from Canada to the British markets during 1933 were more than three times the volume of the year before, amounting in 1933 to 53,006 head as compared with 17,000 head in 1932.

Acceptance of Dodge Increase by Chevrolet Features '33 Car Sales

General Motors and Chrysler Corp. the Two Leading Manufacturers Increase Percentage of Their Sales to the Total for Eastern Canada — Ford Sales Decline 23 Per Cent from 1932

THREE 1933 LEADERS NO LONGER PRODUCED

Exhaustive Analysis of Sales Figures by The Financial Post Shows Monthly Sales of All Popular Makes — Four Leading Manufacturers Take Almost All of 1933 Market for New Automobiles

Probably the feature of 1933 as far as new automobiles were concerned was the public acceptance of the new Dodge. From ninth place among high selling cars in 1932 it jumped to third place in 1933 sales in Eastern Canada increasing from less than 1,000 to nearly 3,500. Viewed in the light of decreases, Ford made the most disappointing showing, largely due to a late start and a less aggressive sales campaign than usual. Their export business, however, made an impressive gain.

From figures compiled by Might's Directories and published in Canadian Automotive Trade, The Financial Post has made an exhaustive analysis showing sales in Eastern Canada of all the leading makes of cars by months for the past three years. A recapitulation of this analysis table shows the fourteen leaders in 1933 (first eleven months) and their total sales in the same period of 1932 and 1931.

Chevrolet Leads The Field

Chevrolet has led all other cars in the past two years, stretching the margin between itself and Ford—the second place car—in 1933. Pontiac and Buick, other General Motors' products, have maintained high places in each of the past three years. Frontenac, Willys and Rockne, three of the cars in the leading fourteen, will not be in the picture in 1934, the two former lines no longer being manufactured in Canada and the Rockne being dropped in favor of a small Studebaker.

LEADING MAKES

	First Eleven Months 1933	1932	1931
Chevrolet	9,194	8,891	14,073
Ford	6,652	8,630	14,112
Dodge	3,323	891	1,562
Plymouth	2,977	2,542	2,574
Pontiac	2,244	1,925	3,050
Buick	1,553	1,925	2,850
Terraplane	1,003	1,100	1,870
Chrysler	968	1,033	2,025
Oldsmobile	709	696	1,517
Frontenac	672	638	110
Willys	390	815	1,575
De Soto	381	923	1,013
Studebaker	367	760	1,177
Rockne	334	611	....

Chrysler Corp. Advances

Analysis by manufacturers shows that the four leaders have gradually been increasing their hold on the market. In 1931, these manufacturers, viz., General Motors, Chrysler Corp., Ford and Hudson-Essex, accounted for 82.5 per cent of the total sales in Eastern Canada, in 1932 the percentage had risen to 84.5 per cent, and in 1933 products of these manufacturers accounted for 91.6 per cent of all sales.

General Motors and Chrysler Corp. alone have increased their percentage position in the past three years, the former accounting for 43.2 per cent of sales in 1933 as compared with 39.4 per cent in 1931 while the corresponding percentages for the latter are 24 and 13. Ford sales have declined from 25.6 per cent of all sales to 20.9 per cent while Hudson-Essex has dropped from 4.5 to 3.5 per cent.

LEADING MANUFACTURERS

	First Eleven Months 1933	1932	1931
General Motors:			
Chevrolet	9,194	8,891	14,073
Pontiac	2,244	1,925	3,050
Buick	1,553	1,925	2,850
Oldsmobile	709	696	1,517
Cadillac	73	99	259
La Sallé	27	30	30
Group total	13,800	13,566	21,779
% of all sales	43.2	39.6	39.4
Chrysler Group:			
Dodge	3,323	891	1,562
Plymouth	2,977	2,542	2,574
Chrysler	968	1,033	2,025
De Soto	381	923	1,013
Group total	7,649	5,389	7,174
% of all sales	24.0	15.7	13.0
Ford:			
Ford	6,652	8,630	14,112
Lincoln	7	10	17
Group total	6,659	8,640	14,129
% of all sales	20.9	25.2	25.6
Hudson-Essex:			
Essex (now Terraplane)	1,003	1,100	1,870
Hudson	104	265	632
Group total	1,107	1,365	2,502
% of all sales	3.5	4.0	4.5
Recapitulation:	Per Cent of Sales		
General Motors	43.2	39.6	39.4
Chrysler	24.0	15.7	13.0
Ford	20.9	25.2	25.6
Hudson-Essex	3.5	4.0	4.5
All others	8.4	15.5	17.5
	100.0	100.0	100.0

Pontiac Business Coupé

The well-known Pontiac line, along with General Motors' products are featuring "knee-action" in 1934 but there are many other chassis refinement and bodies have been made roomier.

PONTIAC

Improved Mileage Per Gallon Claimed in 1934 Car

Motor refinements on the Pontiac straight eight for 1934 are claimed to improve fuel economy by 10 per cent. The whole car is larger, heavier, faster and more powerful than the 1933 model.

"Knee-action" front wheel suspension of the sealed housing type is used. It is claimed that this permits better steering control. With the Pontiac principle each front wheel is attached to one end of a crankshaft or "knee." The other end of the "knee" pivots into a sealed housing where its movements are controlled by dual coil springs and by two-way hydraulic shock absorbers.

An improved cooling system employs a cross-flow radiator. Fountain cooling of the valves is by water pumped directly from the radiator through a tube extending the entire length of the motor block. Metered holes in the tube direct streams of water against the water jacket surrounding the valves.

Uses Any Grade of Fuel

An interesting innovation is the "Gaselector." This permits manual adjustment of the distributor in order that the motor may take advantage of whatever grade of fuel the owner elects to use. The 15-gallon fuel tank is safeguarded against gasoline thieves by a baffle in the filler neck. Starter control now is operated by the accelerator pedal. The new multi-beam lighting system permits a "passing" beam illuminating the right side of the road. Both beams are lowered for city passage.

Fisher bodies are offered in various types as follows: Regular and special four-door sedan; regular and special coach; five-passenger special coupé (with trunk); coupé; sports coupé and cabriolet. All closed bodies are equipped with Fisher no-draft ventilation. Added wheelbase permits four inches more leg room in the rear compartments of the sedan.

Studebaker Has Three Lines

Although the name Rockne has been dropped, the car has been replaced by a smaller Studebaker. The public is already acquainted with the 1934 Studebaker line as it has been introduced for some time. The Dictator custom sedan shown above shows the new streamlining of the cars by Studebaker Corp.

STUDEBAKER

Engines of All Lines More Powerful in 1934

Studebaker is now showing a 1934 model in three lines. Horsepower of all three engines has been increased. The Dictator engine has now 88 h.p., the Commander motor develops 103 h.p. and the President power plant delivers 110 h.p. High compression aluminum cylinder heads with the compression ratio of 6.3 to one are in all motors.

The influence of aerodynamic streamlining is marked in the new models. Studebaker body designers having gone far in reducing wind resistance and adapting the flowing symmetrical lines of present day aircraft. Radiators, fenders, windshields and rear body section have all been sloped and "faired" to permit smoother passage through air currents.

New Ventilation System

A new system of ventilation has been provided. The front windows are provided with ventilation vanes which are integral with the windows. These vanes may be adjusted to scoop air into the bodies or to create an opposite effect which draws out stale air or smoke. With the vanes in the closed position the entire front window may be lowered or raised. The rear quarter windows are hinged on their forward side and may be slung outward.

Automatic features found in all new models include automatic switch rting, automatic chokes, automatic spark, anti-back firing device, free wheeling in all forward speeds and power brakes on the larger models. The overall length of Dictator models is 195¼ inches, of Commander 197⅞ inches and Presidents 203⅞ inches.

Line of Models

Models produced in the three lines are:

Dictator—four-door five-passenger sedan; two-door five-passenger brougham; two-passenger coupé; four-passenger coupé with rumble seat and four-passenger convertible roadster.

Commander—four-door five-passenger sedan; two-door five-passenger brougham; two-passenger coupé; four-passenger coupé with rumble seat and four-passenger convertible roadster.

President—four-door five-passenger sedan; two-passenger coupé; four-passenger coupé with rumble seat; four-passenger convertible roadster.

CANADIANS USE LARGER AMOUNT TOBACCO GOODS

Cigarettes, Cut Tobacco Register Gains Over 1932

From Our Own Correspondent

MONTREAL.—Whether or not one may regard it as an index of increased buying power, it is interesting to note that consumption of cigarettes in Canada during recent months has been on a materially larger scale than was reported during the previous year.

Last November Canadians took out of bond for consumption 374,490,820 cigarettes. This was about 14,000,000 less than for the same month of 1932. But the average monthly withdrawals during 1933 were considerably greater than in 1932.

More Cut Tobacco

Users of the pipe, or those who roll their own cigarettes, have been spending more money on cut tobacco. Last November 1,561,675 lbs. were entered for consumption, compared with 1,473,910 in the previous month and 1,427,688 lbs. in November 1932.

There has been little change in the amount of plug tobacco consumed in this country, while consumption of overweight cigarettes has tended to decline. The latter is a luxury product and its consumption is of limited proportions.

It appeared for a while as if the cigar makers had come out of the long depression, excise returns showing an increase in consumption. But this was only a flash in the pan, however, for the figures in the last six months have been consistently below those of 1932.

Eleven Truck Makes On Display at Show

Eleven makes of trucks and buses will be represented at the Toronto show but with few exceptions the offerings will be much along the lines of 1933.

White will show a light delivery truck for the first time, the mechanical features being on fairly standard lines. Chevrolet are featuring three distinct lines of commercial cars fitted with the Chevrolet special truck motor with marine-type cylinder head. Austin of England will be there with light delivery vans with 7, 10 and 12 horsepower engines.

Complete list of trucks and buses to be shown is: White, Reo, Diamond T., Dodge, G. M. C., Chevrolet, Ford, Studebaker, International, Austin and A. E. C.

DISTILLERS CORP. SET UP SUBSIDIARY IN UNITED STATES

Use Seagram Name in Handling American Interests

From Our Own Correspondent

MONTREAL — Distillers Corp.-Seagrams announce the incorporation of an American subsidiary which will be known as Jos. E. Seagrams and Sons, Inc., for the purpose of taking over the Rossville distillery at Lawrenceburg, Ind., acquisition of which was announced four or five weeks ago.

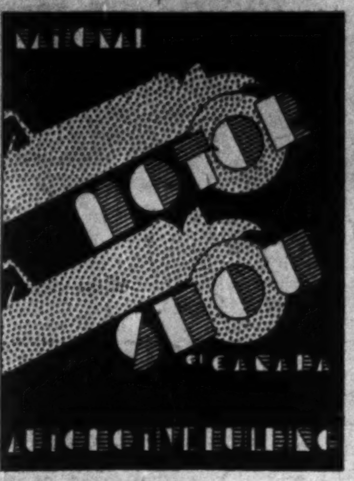
Final details as to the set up and activities of the new subsidiary have not been decided upon as yet, but, according to S. Bronfman, vice-president of Distillers-Seagram, the American unit would take over the Lawrenceburg distillery and would also market a number of the company's Canadian stocks. In addition to this outlet, the Canadian company is also selling to a number of other recognized dealers and agencies in the United States.

Particulars of Property

The Rossville plant has a capacity of over 35,000 proof gallons of spirits daily, and work has already started on a programme of modernization. It is expected that the capacity will be increased when these plans have been completed. The plant was in operation for some time prior to Repeal under government permit and has been producing steadily since that time.

The Rossville Union Distilleries, Inc., was purchased by Distillers Corporation-Seagrams, Limited, for 172,623 shares of the Canadian company's stock. For the transfer of these shares, the Distillers-Seagrams received the plant and $2,400,000 in cash.

OF INTEREST TO EVERY BUSINESS MAN



JAN. 13 TO JAN. 20

The Acceleration of Industry

The National Motor Show of Canada will mark a new buying season that promises to be the best in many years. As every trade and industry profits from an increased sale of motor cars, the success of the forthcoming Show will favorably effect all business. With all Canadian makes congregated under one roof, you can make comparisons with ease—and decisions. Come—and buy a new car!

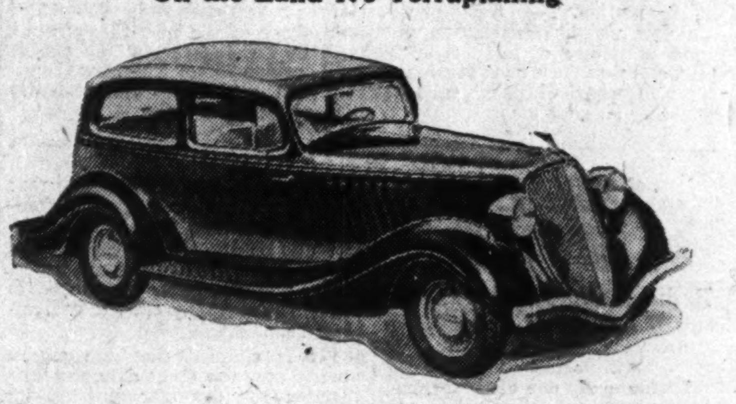
NEW MODELS OF 1934

Passenger Cars and Commercial Vehicles

One of the first big events of Toronto's Centennial Year, the National Motor Show of Canada will have in addition to the wonderful display of new cars a series of other attractions. These include a most interesting demonstration of Westinghouse automata, a smart fashion revue at 4 and 9 p.m., and a dinner dance and floor show at 7 p.m., reservations for which may be made by telephone to Ad. 0246.

NATIONAL MOTOR SHOW OF CANADA

"On the Land It's Terraplaning"



The Terraplane six coach shown above is one of the popular models of this line of cars. A complete range is available from the roadster to the de-luxe sedan.

Trying Out Far North For Reindeer Ranching

Dominion Government Selects 6,600 Square Miles East of Mackenzie River Mouth as Suitable Grazing Land for 2,500 Reindeer Bought in Alaska

Reindeer grazing is to be given a real test in Canada under Dominion Government auspices. The last number of the Canada Gazette states that 2,500 reindeer of the 3,000 reindeer obtained in Alaska by the Dominion Government are to be delivered east of the Mackenzie River. A grazing reserve of 6,600 square miles at the mouth of the East branch of the Mackenzie River has just been set aside for this purpose.

This reserve, beginning on the northern coast of the Mackenzie district near Kittigazuit in lat. 69 degrees, 20 minutes north and long. 133 degrees 45 minutes west, runs along this northern coast in a northeasterly direction and then westerly to Liverpool Bay. The boundary of the reserve then runs southerly along the westerly coast of Liverpool Bay, across the mouth of the outlet from Eskimo Lake and southwesterly down the south-east side of the outlet and the chain of waters known as Eskimo Lake, Sitidgi Lake, Campbell Lake and connecting waters until the right bank of the east channel of the Mackenzie River is reached. The boundary goes northwest along the right bank and then westerly to the most southerly part of Richards Island in Mackenzie Bay. It coasts the west coast of Richards Island to the north end and then in a southeasterly direction to the point of commencement.

Wolves Main Enemy

This decision of the Dominion Government is the result of an investigation made by the Dominion Government in 1926, 1927 and 1928 to ascertain suitable areas for reindeer grazing purposes. A representative of The Financial Post recalls talks with Vilhjalmur Stefansson at Ottawa some 13 years ago when the Arctic explorer was vigorously urging on the Dominion Government the utilization of the Far North on a great scale for reindeer grazing. His argument was that in the reindeer and the cariboo Canada has immense possibilities as they give an excellent meat and require no stabling, no auxiliary feeding and only a few herders. Cold weather means nothing to them and their only enemy of consequence is the wolf.

Since that time efforts have been made to sell stock of reindeer companies in the Western part of Canada. The stock sold to a certain extent but the enterprises apparently never got beyond that point. This venture will be very important as tending to prove one way or another what can be done. A venture of the Hudson's Bay Co. on the south shore of Baffin Land did not turn out so well, but the reindeer came from Europe and numbered about 700 head. Stefansson insisted there should be at least 1,000 head and they should be given ten years for natural increase to work before reindeer meat should be sold.

Appointed Manager

C. B. WATT

Recently appointed advertising manager of General Motors Corp. of Canada. Mr. Watt was formerly assistant advertising manager.

TERRAPLANE

Unit Construction is Featured for 1934

Unit engineering is featured on the Terraplane six line of cars for 1934. Under this system the chassis and body are constructed as a single unit. Terraplanes are produced on wheel bases of 112 inches and 116 inches.

The cars are longer and wider and aerodynamic lines are amplified more than formerly. On the sedan and coach bodies there is room to carry either a spare tire inside the contour of the body or the tire may be mounted in a fender well and the space used for baggage.

Higher power to weight ratio is claimed for the new car. Displacement in the six engine is increased over last year from 193 to 212 cubic inches, by an increase in the bore from 2 15/16 to three inches and the stroke from 4¾ to five inches. On the de luxe series of the six there is an aluminum and iron head which raises the horsepower to 85 from 80 h.p. at 3,600 r.p.m. of the standard. With this head standard non-premium fuel can be used advantageously.

Improve Gears

Synchro-shift transmission has been improved in a number of details. Low and reverse gears are now automatically demeshed when second and high are engaged or when the transmission is in neutral. The entire propulsion system has been strengthened to accommodate the increased power.

Independent front springing is available as optional equipment on Terraplanes. The type is known as "Axle-flex." Independent springing is secured by an articulated front axle with a parallelogram which permits one side of the axle to rise and fall independently of the other. This method, the company's engineers state, avoids the necessity of departing from the highly developed Hudson spring suspension. The new axle can be substituted for the old as they are interchangeable.

Although looking lower than the 1933 cars the entire car body is raised one and a half inches. Better upholstery is being used. On the Terraplane six 112-inch wheelbase there are nine body styles and on the 116-inch wheelbase six styles.

New Auto Name Was Used In Past

Presentation of the new Nash-built LaFayette brings about for the first time in the automotive industry what might be called the "rebirth" of a car line.

The original car to bear the name of the famous French nobleman who aided the American Colonies, was introduced in the winter of 1919. It was one of the de luxe automobiles of its day—a large eight-cylinder car weighing approximately 5,000 pounds and costing about $6,000. It was carefully designed and built and established records for its time for quietness of operation and speed.

It was originally manufactured at Indianapolis but later was produced at a plant in Milwaukee which was taken over by C. W. Nash, chairman of the board of The Nash Motors Company.

FINAL JUDGMENT ASKED SECT. 110 COMPANIES ACT

Government Wants Directorial Responsibility for Dividends Determined

Of great interest to directors and shareholders of Canadian companies incorporated under Dominion laws is the statement in The Canada Gazette that the committee of the Privy Council, on the recommendation of the Minister of Justice, has referred the following question to the Supreme Court of Canada for hearing and consideration because it is considered of importance to get the opinion of the highest judicial authority in Canada with the least possible delay upon the question of the validity of Section 110 of The Companies Act:

"Is Section 110 of the Dominion Companies Act, R.S.C., 1927, Chapter 27, ultra vires the Parliament of Canada either in whole or in part and if so, in what particular or particulars or to what extent?"

The Disputed Section

Section 110 of The Dominion Companies Act reads as follows:

"110. If the directors of the company declare and pay any dividend when the company is insolvent, or any dividend, the payment of which renders the company insolvent, or impairs the capital thereof, they shall be jointly and severally liable, as well to the company as to the individual shareholders and creditors thereof, for all the debts of the company then existing, and for all debts thereafter contracted during their continuance in office, respectively.

"2. If any director present when such dividend is declared does forthwith, or if any director then absent does, within twenty-four hours after he becomes aware of such declaration and is able so to do, enter on the minutes of the board of directors his protest against the same, and within eight days thereafter publishes such protest in at least one newspaper published at the place in which the head office or chief place of business of the company is situated, or, if no newspaper is there published, in the newspaper published in the place nearest thereto, such director may thereby, and not otherwise, exonerate himself from such liability.

"3. Nothing in this section shall be deemed to create any liability upon the directors of a mining company by reason of payment of dividends out of funds derived from the operation of such company, if such payment does not reduce the value of the remaining assets of the company so that they will be insufficient to meet the liabilities of the company then existing, exclusive of its nominal paid-up capital."

The Disturbing Judgment

The Dominion Government is forced into the action cited because of a certain action in the Supreme Court of Ontario styled "George J. Meyer Malt and Grain Corp., plaintiff, against Robert Combs, George R. Griffin, F. R. Ramsey and Walter Walters, defendants." This action was taken by the plaintiffs as creditor of Holliday Breweries, Ltd., against the directors of the latter company under Section 110, quoted above. In the Appellate division of the Supreme Court of Ontario the defendants attacked the constitutional validity of Section 110 and the Attorney-General of Canada, therefore, intervened. The majority of the judges (Appeal Justices Middleton and Masten) held that Section 110 was ultra vires of the Dominion Parliament. Justice Latchford dissented. An appeal was taken to the Supreme Court of Canada by the plaintiff but was abandoned when the defendant settled the action.

From the Dominion Government point of view this left the question in an unsatisfactory position. The Financial Post at the time gave a full report of the various considerations which led to the Supreme Court of Ontario majority decision and the dissenting opinion of Justice Latchford. The opinion of the Supreme Court of Canada will be awaited with great interest.

Sales of Passenger Automobiles in Eastern Canada

	January 1933	1932	1931	February 1933	1932	1931	March 1933	1932	1931	April 1933	1932	1931
1. Auburn	3	3	4	5	4	29	5	19	70	7	23	177
2. Cadillac	..	13	7	6	8	14	10	23	19	8	14	26
3. Chevrolet	374	539	403	582	573	676	878	1,192	1,306	1,279	1,633	2,915
4. Chrysler	12	14	28	49	40	49	76	140	101	125	203	362
5. De Soto	14	11	10	39	42	22	43	144	75	58	184	209
6. Dodge	109	17	18	194	47	26	244	165	101	434	204	264
7. Durant	6	31	41	1	37	56	8	72	133	6	172	380
8. Essex	28	12	90	35	19	134	65	88	200	104	180	371
9. Ford	121	129	387	142	297	528	530	529	1,284	847	522	2,800
10. Frontenac	42	15	..	48	16	..	37	41	..	93	49	...
11. Graham-Paige	11	11	32	12	37	37	16	58	41	24	91	120
12. Hudson	8	5	52	6	11	53	8	28	74	19	59	103
13. Hupmobile	3	5	19	7	12	37	10	33	42	13	35	81
14. La Salle	1	..	1	5	..	5	2	..	7	1	3	5
15. Lincoln	..	..	2	..	..	1	2	..	2	1	1	4
16. Buick	67	118	69	106	121	136	134	329	295	213	344	578
17. Nash	3	4	31	3	7	17	4	15	77	2	31	114
18. Oldsmobile	13	28	19	21	56	78	56	97	144	77	99	296
19. Packard	..	2	15	7	1	20	9	19	25	11	10	23
20. Pierce-Arrow	2	..	2	2	2	4	2	9	6	3	1	9
21. Plymouth	104	55	47	124	41	54	186	194	79	313	436	255
22. Pontiac	64	66	54	164	159	245	229	213	505	346	388	987
23. Reo	9	8	5	8	3	13	4	10	11	12	6	25
24. Rockne	14	..	..	14	4	..	45	24	..	73	104	...
25. Studebaker	16	22	37	23	51	35	43	117	109	58	157	195
26. Willys	17	32	38	32	52	78	70	74	140	84	102	177
27. Willys-Knight	1	5	7	4	4	3	7	18	50	11	32	158
28. All others	3	..	25	5	2	15	7	15	23	14	9	24
	1,045	1,145	1,443	1,644	1,647	2,379	2,730	3,667	4,925	4,236	5,095	10,694

	May 1933	1932	1931	June 1933	1932	1931	July 1933	1932	1931	August 1933	1932	1931
1. Auburn	7	20	188	6	28	116	6	25	58	3	17	24
2. Cadillac	8	12	47	11	3	39	6	9	22	10	6	19
3. Chevrolet	1,565	1,888	3,407	1,386	1,095	2,105	1,060	659	1,203	903	483	740
4. Chrysler	175	201	581	134	132	350	143	103	208	125	66	133
5. De Soto	73	201	232	57	125	154	34	80	77	24	57	57
6. Dodge	557	191	493	505	79	244	407	62	135	361	40	86
7. Durant	12	168	403	3	85	248	5	194	191	2	130	116
8. Essex	149	197	442	176	121	275	136	67	141	122	168	93
9. Ford	1,128	1,492	3,378	1,149	2,464	2,180	870	1,355	1,375	705	829	882
10. Frontenac	102	48	...	106	99	...	85	69	..	63	52	..
11. Graham-Paige	50	73	196	38	36	149	37	36	78	26	34	76
12. Hudson	16	59	117	24	44	70	13	19	59	5	15	40
13. Hupmobile	10	51	132	23	29	64	12	26	47	8	12	32
14. La Salle	5	4	1	6	3	3	1	4	4	5	5	..
15. Lincoln	1	3	3	1	1	2	..	..	..	1	..	..
16. Buick	231	356	688	227	208	388	188	136	180	138	97	130
17. Nash	7	40	215	3	37	99	2	5	84	3	8	56
18. Oldsmobile	175	118	328	122	82	221	78	42	140	51	53	104
19. Packard	8	21	32	6	8	10	12	5	5	26	5	3
20. Pierce-Arrow	5	5	10	..	1	2	1	2	1	1	1	..
21. Plymouth	518	645	314	464	448	429	415	275	473	296	174	344
22. Pontiac	336	339	936	374	180	533	223	135	272	180	117	209
23. Reo	11	7	52	6	8	28	13	7	17	6	5	10
24. Rockne	53	145	...	30	121	...	37	70	..	27	52	..
25. Studebaker	56	160	277	67	90	167	22	53	96	27	39	69
26. Willys	74	131	387	69	112	263	20	113	126	12	69	85
27. Willys-Knight	16	48	69	12	47	33	4	30	19	1	25	9
28. All others	13	5	50	32	8	75	31	11	53	16	12	27
	5,319	6,618	13,012	5,027	5,684	8,249	3,861	3,593	5,064	3,157	2,571	3,396

	September 1933	1932	1931	October 1933	1932	1931	November 1933	1932	1931	11 Months 1933	1932	1931
1. Auburn	..	11	22	1	8	16	2	2	9	45	160	717
2. Cadillac	6	9	31	6	3	17	2	1	19	73	99	259
3. Chevrolet	626	444	610	337	269	399	234	126	246	9,194	8,891	14,073
4. Chrysler	81	71	108	34	39	57	18	24	32	968	1,033	2,025
5. De Soto	28	40	77	8	38	64	3	6	35	381	923	1,013
6. Dodge	263	56	88	146	21	73	103	9	28	3,323	891	1,562
7. Durant	2	62	106	..	15	62	..	5	52	45	961	1,789
8. Essex	90	146	52	59	69	43	39	33	21	1,003	1,100	1,870
9. Ford	570	529	635	355	308	405	243	176	132	6,652	8,630	14,112
10. Frontenac	46	102	57	37	84	35	13	63	14	672	638	110
11. Graham-Paige	27	29	73	7	21	45	9	5	26	257	431	874
12. Hudson	2	14	32	3	8	17	..	3	13	104	265	632
13. Hupmobile	16	11	21	10	17	18	10	5	11	123	236	510
14. La Salle	1	5	..	..	6	3	1	..	..	27	30	30
15. Lincoln	..	..	1	1	3	19	..	1	..	7	10	17
16. Buick	111	111	158	80	73	126	58	32	85	1,553	1,925	2,850
17. Nash	2	7	44	1	4	29	7	1	..	38	159	791
18. Oldsmobile	62	58	81	30	40	66	24	23	38	709	696	1,517
19. Packard	9	4	13	12	3	10	6	7	7	106	85	165
20. Pierce-Arrow	..	1	..	2	1	10	1	..	1	19	23	38
21. Plymouth	281	166	306	177	69	173	89	39	88	2,977	2,542	2,574
22. Pontiac	150	159	133	122	113	89	56	56	67	2,244	1,925	3,050
23. Reo	6	3	11	4	5	6	4	4	7	82	66	185
24. Rockne	17	55	..	17	30	..	5	14	..	334	611	....
25. Studebaker	10	45	79	10	18	66	32	10	40	367	760	1,177
26. Willys	15	60	73	8	39	53	3	31	41	390	815	1,575
27. Willys-Knight	1	30	28	2	12	17	..	10	5	59	256	298
28. All others	17	8	28	9	3	21	6	3	10	152	88	333
	2,439	2,236	2,867	1,478	1,314	1,959	968	689	1,141	31,904	34,259	55,248

Figures compiled by Might's Directories.

FORD V-EIGHT

Body and Engine Refinements Feature Tested Line

New developments in 1934 Fords are chiefly concerned with body and chassis parts. The hood, radiator and grille, new instrument panel, new upholstery treatment and body ventilation system are improved and there are small engine refinement features.

The new "clear vision" ventilation system is similar in principle to that installed in the new Lincoln car. The glass in the front door and rear windows is made to slide backwards up to more than one inch in the front windows and up to two inches in the rear windows. The vertical opening between the edge of the door or body frame and the glass serves as a means of exhausting the air from the interior of the body.

New Radiator Shell

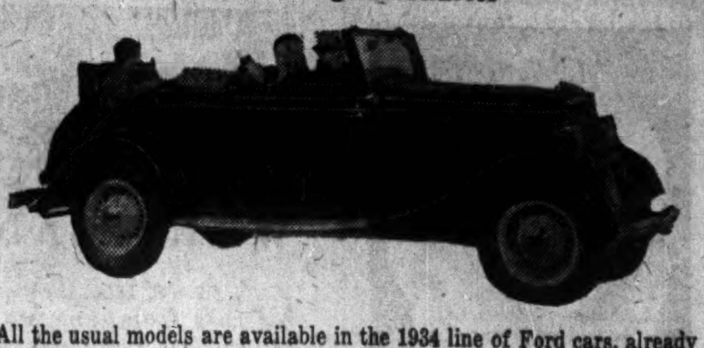
The radiator shell has been deepened. The curve in the grille has been eliminated and the number of openings decreased. The grille members are dull finished chrome plate except the edges which are bright. Radiator shell, ornament and cap are chromium plated.

The Victoria model is entirely new. Its overall length has been increased and a luggage compartment has been built into the rear. Access to the compartment is by an opening similar to a rumble seat door. The body is equipped with individual front seats of new design.

Engine Refinements

Engine changes to the V-8 are in the nature of refinement. The most noticeable mechanical change is the development of a dual intake manifold which utilizes a dual down-draft carburetor. Due to the firing order resulting from the use of the crankshaft with 90 degree crank throws, the manifold is of the over-and-under type, each branch feeding two cylinders on either side of the engine. The result of the dual installation is said to effect an increase in fuel economy at all engine speeds. Horsepower is increased approximately 12 per cent.

Ford V-Eight Roadster



All the usual models are available in the 1934 line of Ford cars, already known to the public. Many different colors are available this year.

GRAHAM 6 AND 8

Supercharger Featured on Custom-Built Eight

Graham offers three new cars in 1934—a custom eight with supercharged engine and a new standard eight, both with 123-inch wheelbase, and a new six-cylinder car with 116-inch wheelbase, new engine and other features. The new six will be available in both standard and de luxe body types.

Introduction by Graham of the supercharger is believed to be the first time such a device has ever been used on a medium-priced car, and the first time a supercharger of the centrifugal type has ever been offered on any but the highest priced car.

Increases Speed

The supercharger causes a car to accelerate more rapidly, and its rate of acceleration becomes faster as the speed of the car increases. Instead of accelerating most rapidly at around 25 to 30 miles per hour, the supercharged Graham gains in speed most quickly at from 45 to 55 miles per hour.

Whereas the output of the former standard engine was 95 brake horsepower at 3,400 r.p.m., the supercharger engine develops 135 b.h.p. at 4,000 r.p.m., more than 40 per cent more power. The torque of the 1933 standard engine is 175 ft. lbs. at 1,200 r.p.m., and that of the supercharged engine is 210 ft. lbs. at 2,400 r.p.m. The torque peak is thus at twice the engine speed (and approximately twice car speed) with the supercharged engine.

Many Refinements

The engine for the standard eight-cylinder model has also been refined and improved. Both the compression ratio and the valve size have been increased as in the supercharged engine.

The new six-cylinder car offered by Graham for 1934 incorporates a new engine and many chassis improvements. The wheelbase is 116 inches, three inches longer than the former model, two inches of which have been added to the body space giving increased leg room in the rear compartments of all bodies. The engine while the same size as formerly (3¼ × 4½ inches bore and stroke) now has the water-pump mounted in the cylinder-head and in combination with the fan. The generator is swivelled on the left side of the engine, providing adjustment for the three-pulley V-belt drive. The carburetor is of the down-draft type and is equipped with automatic heat control.

HUDSON EIGHT

New Type Cylinder Head Increases Power and Speed

Larger, longer and with more modern aero-dynamic lines, the Hudson eights are introduced for 1934. Two wheel-base lengths, 116 and 123 inches, are available in both the standard and de luxe series. The eight-cylinder engine of the standard series develops 108 h.p. at 3,800 r.p.m. On the de luxe series, the engine has a composite aluminum and iron head and develops 113 h.p. at 3,800 r.p.m. There is also a composite iron and aluminum super-power dome head available with a compression ratio of seven to one and producing a horsepower of 121.

Independent front wheel springing of the "axleflex" type is available as optional equipment. It gives "knee-action" by an articulated front axle with a parallelogram which permits one side of the axle to rise and fall independent of the other. Hudson spring suspension and steering is not departed from. The entire new assembly is interchangeable with the old without much trouble.

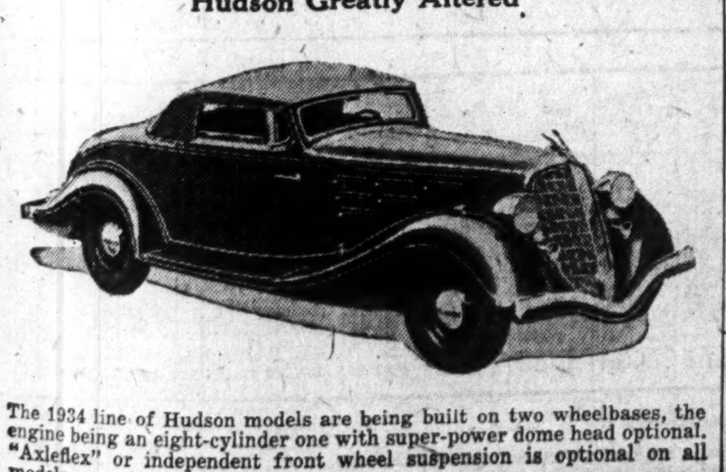
Strengthen Chassis

Many important engine changes have been made. The down-draft carbureter system is used. A thermostat now controls winter and summer manifold heat regulation. The torsional strength of the transmission system has been materially increased. The cushioned cork inset clutch is continued but considerably improved. Synchro-shift transmission has been improved in a number of details. The entire propulsion system has had to be strengthened to accommodate the increased power. Road leveller shock absorbers of the direct acting plunger type are employed this year.

Three Models, 17 Styles

In the Hudson eight, 116-inch wheelbase, there are eight body styles. In the 116-inch de luxe series there are six styles. In the 123-inch series two styles and in the 123-inch de luxe series, two styles.

Hudson Greatly Altered



The 1934 line of Hudson models are being built on two wheelbases, the engine being an eight-cylinder one with super-power dome head optional. "Axleflex" or independent front wheel suspension is optional on all models.

HUPMOBILE

Company Enters Small-Car Field With New Six

Hupmobile enters the low priced field for 1934 with a new six cylinder car mounted on a 117-inch wheelbase. The engine develops 80 h. p. and has a bore of 3½ by 3⅞ inches. The cylinder head is cast iron and provides a standard compression ratio of 5.3 to one.

Two body types are supplied—the five-passenger sedan and the two-passenger coupé, with rumble seat, both with a wide range of color choices. A complete ventilating system is incorporated in these bodies in which the windows slide horizontally to provide a vacuum-actuated exhaust for the air in both the front and rear compartments.

In addition to this low priced car, the Hupmobile Company is offering its usual six and eight cylinder jobs. The 1934 cars are mounted on wheelbases of 121 and 127 inches. The smaller wheelbase being for the six cylinder car.

Improve Steering

Ventilation is of the same type as utilized in the small six. There is no independent front wheel suspension but the company engineers claim that the additional flexibility provided by longer front springs gives the same effect. At the same time, an improvement in the steering stability of the car has been accomplished.

Mounted on the new chassis there are three types of streamlined body available, the six-passenger sedan, five-passenger Victoria, and three-passenger coupé with rumble seat.

LASALLE

Low, Racy Models by Fleetwood Attract Attention

LaSalle for 1934, with custom-style bodies by Fleetwood, represents an interpretation of the aero-dynamic mode, as developed for LaSalle by Cadillac. Chassis contains "knee-action" front wheel suspension and scientific chassis weight distribution. Bodies have V-shaped, sloped radiator, with a new grille, tear-drop headlamps with streamlined supports, sloping windshield, and a new filleting of fenders to the radiator casing.

LaSalle offers four body styles: five-passenger sedan, five-passenger club sedan, two-passenger coupé and two-passenger convertible coupé.

New Light Pistons

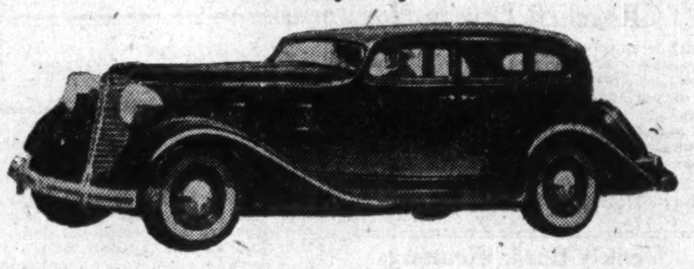
Other new features are higher compression, light-weight alloy pistons, down-draft carburetor and scientific manifolding, giving a high power output for the straight-eight motor.

In the rear end details are concealment of the spare wheel and mountings by the back panel; streamlined, fish-tailed rear fenders, with the filler cap built into the right fender. Double-bar bumpers, streamlined to deflect gravel, have built-in coil springs to cushion possible impact.

Steering Stronger

The steering mechanism and qualities of the car are improved. Each wheel is connected directly to the frame by rigid members that accurately control the motion under all circumstances. A more rigid frame, supported on helical springs by a heavy cross-member, is used.

Nash's Mystery Car



The new Nash-built Lafayette, heralded as the Nash "mystery car" when the 1934 Nash models were introduced in October, 1933. In all respects it is a smaller relation to the regular Nash models. The model shown above is a five passenger, four-door sedan.

NASH AND LAFAYETTE

Only New Name in 1934 is Smaller Six by Nash

Nash enters the lower-price field in 1934 with the "LaFayette," an L-head six on a 113-inch chassis with five body styles. Continued are the big six (116-in. wheelbase, 88 h.p.), the advanced eight (121-in. wheelbase, 100 h.p.) and the Ambassador eight (131 and 142-in. wheelbase, 125 h.p.).

There are five models in the big six, five models in the advanced eight and five in the Ambassador eight.

The new LaFayette takes its name from the Nash-built LaFayette of a decade ago. The body has a "slip-stream" design, is of composite steel and hardwood. Patented "airvent" draughtless ventilation is built in and, as optional equipment, there is independent front wheel suspension.

The standard Nash lines have been freshly styled to meet modern tastes. Two mechanical advances are the coincidental clutch starter and the new transmission. Nash leaves the adoption of individually sprung front wheels to the taste of the buyer in this line also.

Bore in the big six is 3⅜. Downdraught carburetion is used. Track of front wheels has been increased to 57⅞ in.

The advanced eight has a heavier crankshaft, with larger main bearings, steel backed, babbitt lined. Carbureter is downdraught.

In the Ambassador chassis, the worm drive rear axle is of new design, with banjo-type housing and stronger axle shafts.

OLDSMOBILE

New Six-Cylinder Job in Lower Price Class is Feature

While retaining the eight in its class, Oldsmobile enters the lower priced class with a six. This new six with an 84 h.p. engine, the company states, will do 77 actual miles an hour. It is claimed to deliver 17 miles to the gallon at 50 miles an hour. It is understood that it will be priced between the Chevrolet and the Pontiac in the General Motors line.

"Knee-action" wheels, centre control steering, a ride stabilizer, scientific weight distribution, are features which also include superhydraulic self-energizing brakes. Bodies present a further development in the aero-dynamic lines, being longer and lower. Fisher no-draft ventilation has been improved.

Steering Effort Lessened

It is claimed that the centre control steering lessens steering effort, makes for easier handling and provides greater stability and safety. The ride stabilizer, a bar of spring steel joining the rear shock absorber, overcomes the tendency to roll. Superhydraulic self-energizing brakes giving action that is progressive throughout the pedal range stop the car without jolting.

All models have a new rear contour. In the case of the touring models this line is integral with the trunks and the trunks themselves are a part of the body. Instrument gauges are grouped in two large dials of new airplane design, indirectly lighted. There is a compartment at the right with tumbler locks. The new models are wired for radio.

Many Models

The body models for both the six and straight-eight chassis include the following: Five-passenger coach; five-passenger sedan; five-passenger sedan with integral trunk; two-passenger business coupé; four-passenger sports coupé (rumble seat). There is also a new passenger convertible roadster with rumble seat on the straight eight chassis.

The New Oldsmobile Six

Both the new six and the usual eight will be along the same general lines as the four-passenger coupé six shown above. The new six will sell at a price between Chevrolet and Pontiac, it is understood.

PACKARD

Three Engines, Two Eight-in-Line and One 12 Featured

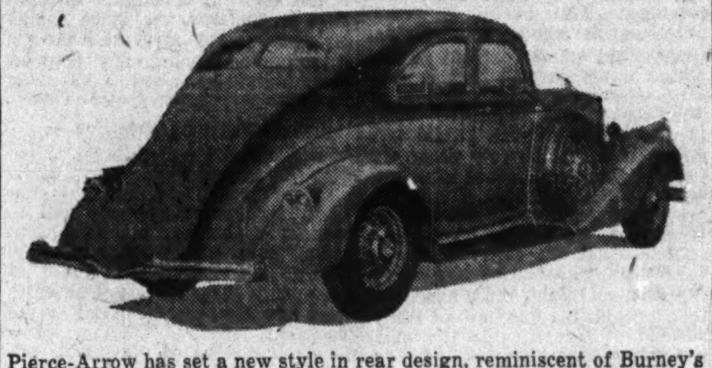
Many models of standard and custom-built Packards are available for 1934. There are now eight different chassis with 41 body models in 13 different types and three engines, two eight cylinder in line motors and a 12 engine for the head of the "line," the Packard twelve. In addition there are the custom Packards.

Exterior appearance of the new car is characteristically Packard. Fenders, however, are deeper and carry the curve of the wheels. Around the edges of the fenders and their deep skirts is rolled a large hidden gutter which carries any water thrown up from the pavement by the wheels, preventing it from being blown back along the sides of the car. Recessed plates in the rear fenders catch stones cast up by the tires from gravel roads.

Ready For Radio

The new models are completely engineered for the installation of radio sets. Besides shielded and lead-in wiring, change in coils to prevent interference, larger air cooled generator and other such engineering features the instrument board carries a removable panel into which the radio controls can be set. The panel follows the radiator lines and acts as a decoration for the instrument board if a radio set is not installed.

Interesting New Rear Design



Pierce-Arrow has set a new style in rear design, reminiscent of Burney's Teardrop car which was shown at automobile shows last year.

PIERCE-ARROW

Ventilation System Added to All New Models

Three groups of cars — two twelves and one eight—are offered by Pierce-Arrow. The new models range in design from the highly streamlined Silver Arrow to the more conventional style of family sedans and limousines.

A ventilation system is incorporated in all 1934 cars which are stated to be considerably roomier. A special type of insulation has been added, and seats have been made adjustable in the rear as weii as in the front compartment. Among other features are power brakes, improved synchromesh transmission with free wheeling; easier steering and clutch action and a more rigid frame.

Powerful Motor

While essentially the same as those used last year, both types of engine are said to incorporate a number of advancements. The twelve is said to be the most powerful motor in a production car on this continent, with one exception. It is claimed to give unusually rapid acceleration and high top speed with relatively low engine speed.

The eight is larger and more powerful, in its own field exceeded in output by only one other American motor, it is asserted. The new engines continue to use automatic hydraulic valve lifters introduced last year.

PLYMOUTH

Independent Front Wheel Suspension on Both Models

Plymouth for 1934 features independent front wheel suspension plus general improvement in appearance and in design. The two cars in the line, the Standard six and the De Luxe six have a type of suspension with coil springs, more powerful 77 h.p. motor with floating power engine mounting, new bodies of modern design, improved interior trim and many mechanical refinements.

The new cars retain all their basic Chrysler engineering features including hydraulic self-equalizing brakes and new all-steel bodies reinforced with steel. The sixes offered in four styles: the four-door sedan; the two-door sedan; business coupé and rumble seat coupé. The wheel base is 108 inches.

Five Body Styles

The De Luxe six is announced in five body styles: the four-door sedan; the two-door sedan; the business coupé, rumble seat coupé and convertible coupé roadster. Wheelbase is 114 inches.

Airwheel tires are regular equipment on the De Luxe Plymouth six. A new all-steel artillery type wheel is also standard equipment on the De Luxe model. Wire wheels are regular equipment on the Plymouth six.

The new individual front springing system used by Plymouth is simple in construction, composed of a coil spring which, if stretched out, would be 147 inches long. It is placed between two V-shaped supports, one on the upper side and one on the lower side of the frame joined at the other end by the steering knuckle support arm. The "legs" of the upper V-support are attached to a double-acting shock absorber. Two braces, in V-form and one above the other, keep the wheel in its proper relationship to the chassis at all times.

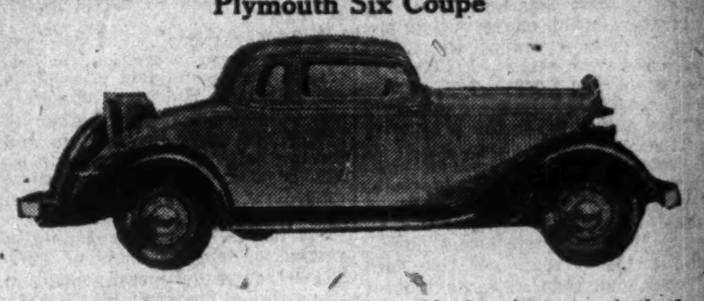
N. B. Potato Exports Double

Potato shipments from New Brunswick, up to the end of the year, amounted to 1,600 carloads or more than double the exports during the similar period of the previous year, when shipments amounted to 750 carloads.

B. C. Log Scale Higher

British Columbia's log scale production for 1933 is estimated at 2,634,000,000 board feet by Hon. A. Wells Gray, Minister of Lands, against 2,442,000,000 feet in 1932, an increase of 192,000,000 feet.

Plymouth Six Coupé



Plymouth features a new individual front-wheel springing on both the standard and de-luxe series for 1934. The appearance of the car has been changed by additional streamlining.

THE PIERCE-ARROW COMPANY OF CANADA LTD.

invites you to see
the showing of the new Pierce-Arrows

FOR THE MODERATE

For those who desire restrained stream-lining, Pierce-Arrow designers have created a group of new cars which combine dignity with a somewhat youthful touch.

They are like a 1934 version of the millionaire's horse-driven brougham, in the old days before the first Pierce-Arrow began its fine-car leadership 33 years ago.

The Twelves are powered with an even greater engine than that which recently won 14 world records for speed and endurance. In these, the more sedate of the new designs, there is a choice of wheelbase and a choice between an eight or a twelve-cylinder motor.

Even former Pierce-Arrow owners will be surprised at the roominess . . . the luxury . . . the verve . . . the stamina . . . the brake-control . . . the ease of handling . . . and the ease of riding of these new Pierce-Arrows.

FOR THE MODISH

A second group appeals to those who want smartness with a certain restraint. For them, Pierce-Arrow stylists have molded into each pleasing line some of the spirit of the Silver Arrow . . . presented a year ago as Pierce-Arrow's prophecy of future design.

These new Pierce-Arrows are the kind of a car in which one would like to whirl up to the golf club, while the rest of the foursome are watching.

Both the Eights and Twelves come on 139 and 144 inch wheelbases. Like all 1934 Pierce-Arrows, these cars have full-power brakes . . . automatic starter and choke . . . DuPlate safety glass throughout . . . complete body insulation . . . extra roominess . . . superlative riding-ease. Even owners of previous Pierce-Arrows cannot realize the perfection of these new Pierce-Arrows until they sit at the wheel themselves.

FOR THE MODERN

For the young in taste, regardless of age . . . for those who want the ultimate in stream-lining . . . there is another new group including the 1934 model of the Silver Arrow.

Spontaneous . . . fast . . . powerful . . . these cars speak right out in any company. Like all other 1934 Pierce-Arrows, these are even better than the previous models which doubled Pierce-Arrow's share of the fine-car field in recent years.

The price of these cars may surprise you too. For in pricing some models, it has been our idea to keep the younger set in line, and not permit them to sink back into the ranks of those who are content with anything less than Pierce-Arrow performance and luxury.

Be one of the first to see and drive these three new groups of Pierce-Arrows. If you don't see one to suit your taste . . . Oh! well . . . you will!

Bank Chat on Current Topics

Strengthening Inner Reserves

FOR many decades the Canadian banks have followed a policy of building up capital reserves which came to be regarded as sacred and, as a result, "frozen." The true reserves of the banks were the "inner" or "hidden" reserves, about which so much secrecy prevails, since these reserves could be reduced or increased without public knowledge. The action of four of the banks the Banque Canadienne Nationale, the Canadian Bank of Commerce, the Royal Bank and the Provincial Bank, in actually showing a reduction in capital reserve, in their recently issued annual statements in order to increase inner reserves comes therefore as the most important feature of the current crop of bank statements.

Reserves are built up in good times to be used in times of adversity if necessary. In the past the capital reserves of the Canadian banks have been used chiefly as window-dressing in the literal sense of the word as witness the display of gold leaf on the windows of most branches. Their use has therefore been restricted and the inner reserves of the banks have done the real work. There is no established formula for the size of these inner reserves which have varied according to the prosperity of the bank, the cautiousness of its directorate and the type of business done. There can be no doubt but that all the banks, in common with business and industry in general, have suffered losses during the past four years and that such losses have reduced the extent of inner reserves. The transfer by the four banks of $27.500,000 from capital reserve to inner reserve does not necessarily indicate that there is complete depletion of inner reserves but does represent the return of these dollars to a place where they can be put to work, if necessary, after a life of gilded ease on plate glass windows where they were relatively ineffectual.

* * *

Savings Deposits Well Maintained

REPORTS of Canadian trust and loan companies will shortly be forthcoming and the extent to which the savings deposits of these companies have been affected by the reduction in the interest rate effected May 1, 1933, will be of interest to all bankers. It seems reasonably safe to predict that the amount of deposits held by the trust and loan companies has increased to a small extent but that this increase may be offset by decline in the amount of debentures or guaranteed savings certificates, representing time deposits, outstanding.

Since the trust and loan companies are paying 1 per cent more than the 2½ per cent paid by the chartered banks on savings deposits some bank depositors have sought the higher rate and have transferred their savings accounts to the trust and loan companies. The extent of this migration does not appear to be serious although the cumulative result cannot be disregarded and a further reduction in the interest rate on savings deposits may tend to increase the flow of deposits from the banks to the smaller institutions.

Since the reduction in the interest rate paid by the chartered banks from 3 per cent to 2½ per cent, effective May 1, 1933, savings deposits with the banks have dropped by $41,352,000, or 2.95 per cent. Ths covers the seven months' period from April 30 to November 30. In the corresponding period of 1932, savings deposits dropped $14,225,000, or 1.02 per cent; while in the same period of 1931 savings deposits dropped $57,476,000, or 3.95 per cent. In 1930 the drop was well under 1 per cent.

Staff Changes

The **Bank of Toronto** announces the following staff changes effected during December:

W. A. McEVOY, formerly manager at Dundas and Roncesvalles Ave. branch, Toronto, has been appointed manager at Oakville, Ont., succeeding J. B. L. GROUT who is now at head office.

T. B. CHESTER, formerly manager at Elmvale, Ont., succeeds G. D. GOWANS as manager at Omemee, Ont.

G. D. GOWANS has been appointed manager at Hastings, Ont., succeeding A. U. BAILEY who is retiring on pension.

J. M. REINHEIMER, formerly of the western department, Winnipeg, has been appointed acting manager at Coronach, Sask., succeeding H. W. THOMPSON.

H. W. THOMPSON has been appointed manager at Chaplin, Sask., succeeding J. S. ARMSTRONG, who is now in the western department, Winnipeg.

Branch Changes

The **New Hamburg** branch of the **Royal Bank** was closed on December 30, business being transferred to the Canadian Bank of Commerce branch at that point. The Royal Bank has had a branch at New Hamburg for some 5½ years having entered that town shortly after the acquisition of the Standard Bank by the Canadian Bank of Commerce which resulted in the closing of the Standard Bank's branch at New Hamburg.

The **Macleod, Alta.,** branch of the **Royal Bank** was closed on December 30. The Canadian Bank of Commerce now maintains the only branch at this point and has taken over the business of the closed branch.

BIG VALUE

Return this "ad" and $2 for next 12 issues of THE FINANCIAL WORLD; next 3 issues of monthly stock ratings and data book; "A Notable Stock Value"; "5 Stocks For Business Recovery"; "Scuttling 10,000,000 Utility Investors"; "How To Protect Your Capital Against Dollar Devaluation" and personal advice on any 5 securities. Return this "ad" and $2 today for all the above aids to your investment success.

THE FINANCIAL WORLD
53 F.P. Park Place, New York

Current Events in Banking World

FINANCE ACT ADVANCES ARE UNDER '32 LEVEL

November Statement of Banks Reflects Year-End Changes

ASSETS DOWN

Savings and Foreign Deposits Gain — Demand Deposits Are Lower Than in October

Since November 30 marks the end of the fiscal year for five Canadian banks the statement of all the chartered banks as at that date shows some change from that of previous months in that volume of current loans and value of securities are down sharply possibly due in part to the writing down of values to offset the transfer of $27,500,000 of capital reserves to inner reserves. Advances under the Finance Act show a gain of $19,100,000 which, however, is well under the gain of $37,644,000 shown in the corresponding period of 1932.

With the exception of holdings of government securities the assets in the most liquid class show an increase. Holdings of specie and Dominion notes are higher by $27,797,000 while investments and foreign balances abroad are up by $28,336,000. The net increase in immediately available liquid resources is $41,257,000 over the previous month. Led by a decline in volume of current loans of $27,833,000 domestic investments and loans abroad are down by $54,671,000 from the October total.

Savings Deposits Up

While savings deposits showed an increase of $8,420,000 demand deposits dropped by $21,769,000 from the October total. Foreign deposits showed the first increase since last June with a gain of $28,594,000. Balances owing the Dominion Government however, dropped by $38,818,000 possibly due to obligations on account of the government's funded debt which came due on November 1. Balances owing provincial governments were down by $5.420,000. Notes in circulation were down by $4.853,000.

A summary of the monthly bank statement issued by the Department of Finance as prepared by The Financial Post shows the change in November figures from those for October, 1933, and November, 1932.

ASSETS

	Nov., 1933	Oct., 1933	Change	Nov., 1932	Change
	$	$	$	$	$
Immediately Available Liquid Resources					
Specie	55,792,741	49,370,583	+6,422,158	76,125,201	−20,332,460
Dom. notes	155,706,577	134,330,661	+21,375,916	163,503,374	−7,796,797
Gold reserve	13,631,732	16,681,732	−3,050,000	18,881,732	−5,250,000
Foreign banks	98,789,194	92,628,125	+6,161,069	155,096,328	−56,307,134
Foreign curr.	29,215,367	19,111,472	+10,103,895	18,746,452	+10,468,915
Gov't. secs.	649,679,244	661,510,868	−11,831,624	551,158,212	+98,521,032
Call loans ab'd	107,046,997	94,971,171	+12,075,826	99,367,750	+7,679,247
	1,109,861,852	1,068,604,612	+41,257,240	1,082,879,049	+26,982,803
Loans and Securities Other Than Those of Canadian Government					
Pub. secs.	159,429,911	165,122,812	−5,692,901	159,602,906	−172,995
Railway secs.	52,258,531	55,030,983	−2,772,452	48,714,974	+3,543,557
Can. call loans	105,264,004	110,790,427	−5,526,423	107,611,041	−2,347,037
Current loans	884,378,313	912,211,074	−27,832,761	998,934,028	−114,555,715
Loans abroad	135,241,027	146,918,487	−11,677,460	153,561,471	−18,320,444
Prov. loans	21,580,099	23,038,839	−1,458,740	34,204,072	−12,623,973
Mun. loans	102,145,572	101,855,675	+289,897	107,035,297	−4,889,725
	1,460,297,457	1,514,968,297	−54,670,840	1,609,663,789	−149,366,332
Other Assets					
Non-curr. loans	12,849,348	13,918,958	−1,069,610	13,363,328	−513,980
Real estate	7,446,317	7,899,949	−453,632	7,452,807	−6,490
Mortgages	6,224,622	6,325,732	−101,110	6,385,758	−161,136
Premises	78,354,807	78,726,285	−371,478	78,781,267	−426,460
Lets of credit	51,335,931	49,079,901	+2,256,030	47,539,550	+3,796,381
Loans to comp.	13,192,631	13,051,899	+140,732	13,362,699	−170,068
Other assets	1,577,836	1,588,630	−10,794	1,541,791	+36,045
	170,981,492	170,591,354	+390,138	168,427,200	+2,554,292
Total	2,741,140,801	2,754,164,263	−13,023,462	2,860,970,038	−119,829,237
Note cir. dep.	6,497,182	6,497,182	....	6,595,814	−98,632
Int. bank bal.	94,849,787	108,004,473	−13,154,686	92,341,121	+2,508,666
Gross	2,842,487,770	2,868,665,918	−26,178,148	2,959,906,973	−117,419,203

LIABILITIES

	Nov., 1933	Oct., 1933	Change	Nov., 1932	Change
To the Public					
Circulation	128,189,306	133,042,841	−4,853,535	125,047,564	+3,141,742
Dom. Gov't.	44,283,800	83,101,441	−38,817,641	105,754,782	−61,470,982
Prov. Gov't.	23,665,146	29,084,985	−5,419,839	31,325,641	−7,660,495
Gov't. advances	60,444,000	41,344,000	+19,100,000	65,144,000	−4,700,000
Deposits by Public					
Demand dep.	499,098,951	520,868,256	−21,769,305	472,168,080	+26,930,871
Savings dep.	1,358,189,789	1,349,769,247	+8,420,542	1,378,663,124	−20,473,335
Total	1,857,288,740	1,870,637,503	−13,348,763	1,850,831,204	+6,457,536
Foreign dep.	319,543,864	290,949,399	+28,594,465	349,118,042	−29,574,178
Due to Banks Abroad, Etc.					
United Kingdom	12,613,282	4,240,717	+8,372,565	4,510,746	+8,102,536
Foreign	44,294,021	27,796,203	+16,497,818	51,048,541	−6,754,520
Bills payable	1,285,299	1,387,999	−102,700	796,072	+489,227
Lets of credit	51,335,931	49,079,901	+2,256,030	47,539,550	+3,796,381
Other liabs.	2,276,339	2,244,651	+31,688	2,452,732	−176,393
Total public liab.	2,545,219,728	2,532,909,640	+12,310,088	2,633,568,874	−88,349,146
Due bet. banks	8,807,303	12,476,155	−3,668,852	10,265,987	−1,458,684
Liability to Shareholders					
Dividends	2,456,751	967,158	+1,489,593	2,988,225	−531,474
Reserve	134,500,000	162,000,000	−27,500,000	162,000,000	−27,500,000
Capital	144,500,000	144,500,000	....	144,500,000	....
Gross	2,835,483,782	2,852,852,953	−17,369,171	2,953,323,086	−117,839,304
Credit index*	53.2%	54.6%	1.4%	59.8%	6.6%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

Withdrawal of Note Issue Privilege Costly to Banks

"Economist's" Views in The Financial Post on C. B. A.'s Compilation Brings Answer in Support of Bank's Position

By "BANKER"

In The Financial Post issue of the December 16, "Economist" discusses the estimated value of the note circulation privilege of a typical Canadian bank, starting with the figures submitted in a memorandum by the Canadian Bankers' Association to the McMillan Commission, which statement estimated that a bank with average circulation of $30,350,000 would have its profits reduced by $1,162,933 if the privilege were taken away from it and assumed by the Central Bank.

After discussing these figures and admitting their accuracy, if it were assumed that the premises were correct, a separate calculation is made on the basis that the Central Bank notes to replace till money and circulation of the typical bank are borrowed from the Central Bank at 2½ per cent and the writer comes to the quite justified conclusion that in this case the loss would be much less than the figures submitted to the McMillan Commission. The difference, of course, is merely the difference between 2½ per cent and 4½ per cent on the amount involved.

The writer then proceeds to examine the situation on the assumption that the typical bank might obtain Central Bank notes to the full extent required, without the necessity of borrowing, through the purchase of securities by the Central Bank, usually known as open market operations, and in this event comes to the conclusion that the apparent cost to the typical bank of the loss of note circulation privileges is $67,375 against the figure indicated in the memorandum submitted by the Canadian Bankers' Association, which was $1,162,933. I think in the latter calculation "Economist" has fallen into an error.

Are Separate Transactions

It is quite possible that a Central Bank would take the action he suggests and, if they did, it is probable that by so doing the typical bank would make a profit as a result of expansion of its business sufficient to practically offset the loss which they would sustain through the loss of their circulation privileges, but there is no reason to connect the two transactions.

Needs of the Banks

To make this clearer, let us make the following assumptions: On a given date the total assets of the Canadian banks are $2,000,000,000 and they have outstanding circulation of $150,000,000. Let us assume, for the sake of argument, that the next day the Central Bank takes away the total circulation privileges of all banks. In actual practice this would be a gradual process but we can see the results better if we assume that it happens overnight. The bankers, in order to redeem their own notes in the hands of the public will either have to borrow from the Central Bank or dispose of assets equal to $150,000,000, plus whatever they require for till money. Let us assume, for the sake of argument, that the latter figure is $50,000,000. Instead of borrowing, the Central Bank has expedited this through the purchase of $200,000,000 of securities in the market. These may be purchased from private parties or from the banks but in the last analysis there would be a reduction in the total assets of the banks of $150,000,000 and an additional $50,000,000 would be transferred from some other type of assets to Dominion notes.

When this is completed the banks have clearly lost the earning power of $200,000,000.

Depends on Central Bank

Now if at that point the Central Bank says that an expansion of credit is justified and continues its open market operations sufficiently to create a base for the expansion of deposits of $150,000,000, the banks will then have increased their assets to the point they were before the date the Central Bank took over circulation privileges, but the total assets of the commercial banks, plus the Central Bank's, will have increased $200,000,000, representing a very substantial increase in total bank credit.

This might very well happen under existing conditions, where an expansion of credit would improve the securities market and stimulate business generally; in fact, the Central Bank in its wisdom might decide that an increase of twice $150,000,000 in the banks' deposits was justifiable. (In this connection, it might be recalled that last year the policy of the Bank of England created an increase in the deposits of the London clearing banks of £300,000,000, a record for a single year, and, in the writer's opinion, the greatest single factor in producing better business conditions in England.) In the event mentioned, according to "Economist" the typical bank would not only have lost nothing by losing their circulation privileges but would actually be better off to the tune of, say, one million dollars.

Cost Might be Greater

The calculations which he makes are quite correct but we must not confuse the question of cost to the bank of losing their circulation privileges with the question of additional profits which the commercial banks might make if a Central Bank pursued a policy of greater inflation than our central monetary authority is doing at the present time. The argument used is plausible at the moment. At least in the writer's judgment the policy outlined is probably what a Central Bank would do, but the principle involved becomes clearer if we could visualize a Central Bank intelligently managed starting in business during a boom period when its duty was to put on the brakes. Under those conditions the central authority would undoubtedly take measures designed to reduce deposits and in that case if we followed "Economist's" line of reasoning, it would be safe to argue that the cost to the banks, as a result of losing their circulation privileges, would greatly exceed that submitted in the memorandum of the Canadian Bankers' Association.

Canadian Banks Repaid Nfld. Loan

From Our Own Correspondent

MONTREAL.—One feature of the financial reorganization of Newfoundland which has not received any especial prominence, is the repayment of the cash advances made in 1932 and 1931 to the Island Government by the four Canadian banks to enable the Dominion to maintain service on its public debt at a time when default threatened.

Repayment of the Canadian banks' loans has been made with interest in cash by the British Treasury. The four banks in question are the Royal Bank of Canada, the Bank of Montreal, the Canadian Bank of Commerce and the Bank of Nova Scotia. The aggregate amount received by these banks was between $5,000,000 and $6,000,000.

NEWSPRINT TARIFF STRONGLY URGED BY U. S. PRODUCER

Suggest $5 a Ton Impost Offset Higher Costs Under N. R. A.

From Our Own Correspondent

MONTREAL.—A tariff of $5 a ton of foreign newsprint brought into the United States is being advocated by the Inland Empire Paper Co., of Millwood, Wash., operators of two newsprint machines with a daily capacity in the neighborhood of 100 tons.

Considerable propaganda has been carried on by this company against foreign importations of newsprint. It is claimed that while costs of the United States producers are being increased by the N.R.A. many foreign mills are running full and American mills are operating at from 55 per cent to 75 per cent capacity and are steadily losing money.

This situation, the Inland Empire Paper Co. says, should be changed promptly by the use of the President's power to limit foreign imports to the extent of diverting sufficient tonnage in the United States market to operate United States mills at capacity. In addition, it declares, the price should be raised immediately at least $45 a ton and on April 1 next the price should again be raised to $50 a ton to cover increasing N.R.A. costs.

Plenty of Opposition

The Inland Empire Paper is not alone in this agitation for a tariff on foreign imports, but it is unlikely that much headway will be made. In the first place the American publishers would not stand for an increase in the price of newsprint, inasmuch as their costs have already been advanced by the operation of the N.R.A. Their principal source of revenue is advertising, and the chances of increasing rates are negligible.

Another reason for opposition by the publishers is the fact that the United States mills operating at capacity could not supply more than half of the total domestic requirements. In other words, the publishers are dependent upon imports to meet their requirements. Moreover, since 1913 the import of newsprint into the United States has been tax-free. This concession was secured only after a long and strenuous fight. It is highly improbable, therefore, that the publishers will give up the right of importing free of taxation the paper they must have to meet their needs.

Misrepresent Operations

The situation also is misrepresented by the Inland Empire Paper Co. when it implies that the Canadian mills are operating at capacity. Two mills have been consistently operating at that level, but much the same can be said of the American mills. Taken as a whole mill operations in the Canadian industry are not as high as those in the United States.

Moose Jaw Tourist Camp Had More Business in 1933

Increase in the number of automobiles and tourists staying at the Moose Jaw tourist camp during 1933 as compared with 1932 is reported by the Moose Jaw Board of Trade. During 1933, 1,134 cars and 3,843 passengers stopped at the municipal camp while in 1932 there were 1,105 cars and 3,722 passengers.

Becomes General Manager

C. B. STENNING

Appointed general manager of Walsh Advertising Co., Ltd., Windsor, effective January 1, 1934.

NEWFOUNDLAND MILL OPERATIONS 78% OF CAPACITY

Results of 1933 Considered Fair — Production Now Higher

From Our Own Correspondent

MONTREAL.—Operations of the Corner Brook mill of the International Power and Paper Co. of Newfoundland have been on a full-time basis since the beginning of last September. For the full year the mill operated 241 2/3 days out of a possible 310, or at 78 per cent of capacity, resulting in a production of 134,000 tons of newsprint.

In a review of operations during the past year it is pointed out that salaries and wages were reduced in February for the third time during the depression, making the total cuts in salaries and wages at that date about 30 per cent. Last August the company voluntarily increased wages by the amount of the last cut and a further increase of 6 per cent was put into effect late in September. At present wages are only about 15 per cent below those prevailing in the peak year of 1929.

Higher Minimum Wage

Though the general level of wages has been somewhat decreased, the minimum wage has actually been increased to 32 cents an hour for mill employees. Previous to 1930 the minimum rate was 25 cents an hour.

During the past year the company suffered from reductions in the selling price of newsprint and recently from a sharp drop in American exchange. Most of its products are sold in the American market and paid for in United States funds. Since the majority of interest on fixed charges is payable in sterling, the increase in sterling exchange has also hit the company.

Automobile Financing Reached Low in Nov.

The number of new and used automobiles, trucks and buses financed during November dropped sharply in comparison with the number financed in November, 1932, and the number financed in October, 1933. The drop in the amount of financing was 24.9 per cent under the November, 1932, total while the drop in number of cars was 37.7 per cent.

Weekly Bank Clearings

	Jan. 4 1934	Change year ago	Dec. 28 1933
	$	%	$
Halifax	2,083,767	−7.2	1,589,746
Saint John	1,421,773	−6.3	1,215,407
Moncton	560,592	−22.2	657,709
Sherbrooke	525,035	−8.1	487,388
Quebec	4,012,492	−5.4	3,741,786
Montreal	84,607,996	+8.6	66,585,649
Ottawa	4,048,656	+6.1	3,663,644
Kingston	506,003	+16.7	411,314
Peterborough	564,319	−10.7	525,521
Toronto	102,745,187	+14.6	78,166,056
Hamilton	3,294,707	−6.5	3,178,741
Kitchener	1,017,550	+19.6	812,312
Brantford	1,059,305	+17.2	649,531
London	2,666,451	−4.3	1,857,517
Chatham	432,220	−14.4	520,369
Windsor	1,728,482	−32.1	1,746,887
Sarnia	586,111	+40.4	386,892
Sudbury	560,645	+36.1	568,734
Ft. William	514,073	+7.7	453,640
Winnipeg	39,283,531	+5.0	34,391,079
Brandon	359,350	+24.9	235,709
Regina	2,893,822	−34.4	2,303,089
Moose Jaw	588,543	−42.7	383,844
Saskatoon	1,056,975	−22.8	1,005,644
Pr. Albert	256,803	−8.7	195,441
Edmonton	3,367,359	−3.2	3,010,194
Calgary	4,170,145	+1.4	3,310,214
Medicine Hat	196,558	+22.7	179,208
Lethbridge	303,246	+1.3	341,198
N. W'minster	486,254	+0.9	424,318
Vancouver	13,803,728	+20.8	10,921,117
Victoria	1,409,764	+23.6	1,194,010

BEGINNING WHEN CANADA BEGAN

ON June 8, 1866, the year this Company was formed, the Legislature of Canada, then consisting of Upper and Lower Canada, met for the first time at Ottawa. One year later the Dominion of Canada came formally into existence.

The milestones that mark the Dominion's progress mark also the development of the British American Bank Note Company, Limited. For 68 years this all-Canadian institution has kept pace with Canada's requirements for expertly engraved monetary documents.

British American Bank Note Company, Limited

1866 — 1934

HOWARD W. PILLOW, *Pres.*; CHAS. G. COWAN, *Vice-Pres. and Man. Dir.*; G. HAROLD BURLAND, *Sec.-Treas.*

1110 Bank of Hamilton Bldg. TORONTO — HEAD OFFICE OTTAWA — 511 Place d'Armes MONTREAL

BANKING SERVICE

BARCLAYS BANK (CANADA)

.... is a unit of the Barclay Group of Banks—one of the largest banking organizations in the world.

.... operates under the Canadian Bank Act and is therefore in a position to offer a complete service to firms and individuals having domestic banking requirements.

.... places at the disposal of manufacturers, merchants, importers and exporters, the Empire-wide banking service of the Barclay Group of Banks maintaining over 2900 offices and with resources exceeding $2,500,000,000.

AFFILIATED BANKS:

BARCLAYS BANK LIMITED — BRITISH LINEN BANK
UNION BANK OF MANCHESTER LIMITED
BARCLAYS BANK (FRANCE) LIMITED — BARCLAYS BANK S.A.I.
BARCLAYS BANK (DOMINION, COLONIAL AND OVERSEAS)

AND

BARCLAYS BANK (CANADA)

MONTREAL 214 ST. JAMES STREET — TORONTO 219 BAY STREET

8-1

Foreign Exchange

THE Canadian dollar moved arm in arm with the American dollar in the week ended Jan. 8. In terms of each other they appeared steady, but in terms of gold they both staggered slightly. The enormous deficits anticipated in the United States in the next two years, and an expected increase of the American national debt by about 10 billions, have had less effect on the currency than did Mr. Roosevelt's mention of a commodity dollar.

Comparative stability of American money in the face of these facts has been attributed chiefly to short covering by those who had previously sold the dollar. In terms of gold, however, there has been but little recovery. The fact is, according to authorities, that a heavily unbalanced budget and increased public debt are the most insidious forms of inflation; insidious because it is not apparent to most people.

* * *

STERLING has been comparatively steady at about 67 per cent of gold parity for nearly two months. The equalization fund appears to be working toward maintenance of this stability. It now appears as if resumption of gold by Britain may become a waiting game. There are those who contend that Mr. Roosevelt will be able to outgame the British in monetary matters. From past statements of British officials, however, it seems that the United Kingdom is prepared to wait a long time before resuming gold, and that present American uncertainties may have to be cleared away before it will be considered.

FOREIGN EXCHANGE

New York Funds

	High (Premium)	Low (Premium)	Last Year High (Premium)	Last Year Low (Premium)
	%	%	%	%
Jan. 2	Par	*1-2	.....	.....
Jan. 3	1-4	*3-32	13 3-16	12 3-8
Jan. 4	1-2	*1-8	13	12 5-8
Jan. 5	3-16	*1-4	12 3-4	12 1-2
Jan. 6	1-16	*1-16	13 1-16	12 3-4
Jan. 8	3-16	1-8	12 7-8	12 5-8

*Discount.

STERLING, FRANCS AND LIRE

Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Jan. 2	5.15 1-4	.0622	.0832
Jan. 3	5.12	.0620 1-8	.0830
Jan. 4	5.15 1-4	.0624	.0836
Jan. 5	5.10 1-2	.0613 1-2	.0823
Jan. 6	5.11 1-8	.0615	.0825
Jan. 8	5.09 1-2	.0610 3-4	.0818

Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Jan. 2	5.14 1-2	0.0620	0.0832
Jan. 3	5.12 3-4	0.0622	0.0833
Jan. 4	5.15	0.0623	0.0833
Jan. 5	5.09 1-2	0.0613	0.0823
Jan. 6	5.12	0.0615	0.0825
Jan. 8	5.08 3-4	0.0610	0.0818

	Reichsmarks	Belga	Yen
Gold Par	$0.238	$0.139	$0.498
Jan. 2	0.3766	0.2204	0.3135
Jan. 3	0.3785	0.2205	0.3142
Jan. 4	0.3785	0.2209	0.3111
Jan. 5	0.3717	0.2176	0.3140
Jan. 6	0.3733	0.2185	0.3140
Jan. 8	0.3707	0.2171	0.3144

Position of Chartered Banks of Canada as of November 30, 1933, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Balance Due to Dominion Government	Advances under Finance Act	Balances Due to Provincial Governments	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere	Bal. due to other banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable	Letters of Credit outstanding
	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	33,120,112	19,834,750	9,000,000	5,754,017	137,827,300	378,553,491	60,645,833	1,637,135	1,698,375	3,562,031	189,323	6,377,000
Nova Scotia	11,227,029	957,450	3,214,000	658,751	32,947,764	131,180,963	36,361,527	1,956,928	202,682	1,696,270	406,877	5,762,794
Toronto	5,750,284	2,333,967	1,500,000	1,034,708	23,091,978	63,977,080	....	658,787	253,947	745,947	382,500	1,272,746
Provinciale	3,451,605	760,755	600,000	45,526	4,001,669	30,906,630	....	....	....	43,055	....	125,608
Commerce	23,444,805	7,519,964	15,000,000	2,371,072	105,026,511	278,021,370	54,068,292	1,469,606	8,041,829	14,956,811	51,510	12,952,124
Royal	29,349,801	8,649,947	20,000,000	8,618,067	133,039,759	263,711,727	165,273,458	841,498	306,123	20,007,779	255,089	22,052,888
Dominion	5,930,393	971,890	5,456,000	548,066	20,244,014	60,701,465	2,023,642	483,194	53,901	578,701	....	1,537,451
Nationale	8,165,014	2,021,026	4,000,000	3,035,339	17,505,475	77,310,651	1,171,112	498,478	22,392	320,459	....	442,475
Imperial	7,506,033	998,664	1,590,000	1,449,600	23,589,493	71,769,726	....	1,086,394	117,872	878,431	....	764,937
Barclays (Canada)	244,230	235,378	84,000	150,000	1,824,988	2,056,686	....	175,283	1,916,161	1,504,537	....	47,908
Total	128,189,306	44,283,800	60,444,000	23,665,146	499,098,951	1,358,189,789	319,543,864	8,807,303	12,613,282	44,294,021	1,285,299	51,335,931

NAME OF BANK	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	Capital Authorised	Capital Subscribed	% Last dividend	*Loans to Directors and firms of which they are partners	Average gold and Coin Held	Average Dominion Notes Held	Greatest amount of notes in Circ.
	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	1,647,330	729,278	38,000,000	36,000,000	734,575,983	50,000,000	36,000,000	8	1,262,980	16,898,792	40,333,879	35,879,437
Nova Scotia	109,694	8,176	24,000,000	12,000,000	262,690,919	15,000,000	12,000,000	12	3,205,449	9,184,530	10,163,518	12,205,995
Toronto	231,607	150,932	9,000,000	6,000,000	116,384,488	10,000,000	6,000,000	10	832,988	375,550	6,563,200	6,553,584
Provinciale	1,903	64,188	1,000,000	4,000,000	45,000,944	5,000,000	4,000,000	6	642,394	227,273	577,656	3,967,480
Commerce	....	609,934	20,000,000	30,000,000	573,533,835	50,000,000	30,000,000	8	4,190,909	11,894,000	26,610,000	26,063,437
Royal	57,985	712,745	20,000,000	35,000,000	727,876,872	50,000,000	35,000,000	8	2,331,885	8,832,413	27,774,505	32,644,419
Dominion	227,771	764	9,000,000	7,000,000	114,757,255	10,000,000	7,000,000	10	1,123,755	686,000	1,637,000	6,540,428
Nationale	....	177,601	5,000,000	7,000,000	126,670,025	10,000,000	7,000,000	10	310,052	913,849	1,385,224	9,260,379
Imperial	....	3,133	8,000,000	7,000,000	124,754,288	10,000,000	7,000,000	10	414,757	497,136	3,541,714	8,370,918
Barclays (Canada)	....	....	500,000	500,000	9,239,173	500,000	500,000	......	....	11,756	74,299	285,869
Total	2,276,290	2,456,751	134,500,000	144,500,000	2,835,483,782	210,500,000	144,500,000	......	14,315,169	49,501,299	118,660,995	141,771,830

* And loans for which they are guarantors.

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from other banks in Canada	Due from banks in U.K.	Due from banks elsewhere	Government securities	Canadian municipal British and foreign securities	Railway and other Bonds and Stocks	Call loans in Canada	Call loans elsewhere
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	16,849,563	38,542,356	1,918,634	328,151	21,664,546	....	1,715,004	14,774,940	266,971,542	40,217,338	10,086,958	6,973,751	38,227,959
Nova Scotia	9,306,697	9,908,705	657,602	1,988,043	8,637,725	....	1,248,547	5,032,752	54,603,620	20,709,999	7,827,670	11,050,759	3,440,561
Toronto	386,350	7,709,205	412,535	19,053	5,238,934	....	1,947,944	1,216,489	33,511,797	7,131,491	1,010,714	4,083,431	....
Provinciale	241,721	1,414,191	307,500	47,889	1,511,721	761,119	18,545	181,389	9,529,839	4,801,200	2,750,103	4,940,112	....
Commerce†	12,778,500	37,087,099	1,033,530	4,978,411	16,463,561	15,455	854,090	14,525,766	101,913,935	39,266,779	12,172,659	29,413,586	30,409,249
Royal‡	14,117,860	48,922,334	1,811,091	21,713,830	18,384,822	2,814	5,262,897	44,483,563	106,850,615	24,198,073	11,970,905	28,771,273	32,981,561
Dominion	664,084	3,086,294	467,970	50,331	3,399,877	....	682,750	1,017,556	24,440,704	5,405,664	2,487,865	7,584,339	1,987,667
Nationale§	931,584	5,545,164	353,660	54,372	4,479,280	440,064	100,399	414,403	26,971,615	11,445,887	3,754,939	5,432,866	....
Imperial	503,634	3,451,372	501,685	33,971	4,302,158	625,205	600,429	784,683	23,609,904	6,068,833	165,868	6,347,387	....
Barclays (Canada)	12,748	39,857	15,825	1,316	333,836	1,108,638	3,590,589	336,441	1,275,673	184,647	30,850	666,500	....
Total	55,792,741	155,706,577	7,480,032	29,215,367	84,416,460	2,953,295	16,021,212	82,767,982	649,679,244	159,429,911	52,258,531	105,264,004	107,046,997

NAME OF BANK	Other current loans in Canada	Other current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank Premises	Letters of Credit	Deposit for note circulation	In central gold reserves*	Shares of and loans to controlled companies	Other assets	Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	199,655,979	10,367,034	7,693,802	27,724,723	3,911,874	515,849	1,200,454	14,500,000	6,377,000	1,589,618	3,000,000	77,349	38,013	734,922,448
Nova Scotia	91,241,006	12,348,920	1,885	7,126,768	971,950	....	101,602	7,677,723	5,762,794	537,238	1,250,000	2,769,520	89,850	264,231,958
Toronto	42,901,715	....	....	5,144,370	386,141	....	44,055	3,635,516	1,272,746	315,801	630,866	....	....	118,990,163
Provinciale	13,688,921	....	....	1,294,844	177,888	589,113	379,582	2,139,934	125,608	195,400	....	....	204,392	45,301,019
Commerce†	175,387,201	16,028,652	6,241,651	30,002,812	2,376,657	2,533,550	2,545,208	14,871,771	12,952,124	1,250,000	4,000,000	4,017,123	476,617	574,196,003
Royal‡	205,399,132	95,237,013	990,228	10,560,174	4,032,843	2,424,377	883,009	17,015,987	22,052,888	1,500,000	3,000,000	6,328,639	464,635	729,260,479
Dominion	53,109,342	606,175	....	1,731,397	388,753	70,175	27,636	5,982,644	1,537,451	302,300	400,000	....	146,696	115,577,690
Nationale§	44,550,585	53,233	2,580,084	9,797,123	285,964	1,136,230	627,850	6,081,232	442,475	358,611	1,000,000	....	52,988	126,890,619
Imperial	57,421,978	....	4,072,449	8,763,361	302,807	177,123	415,231	6,000,000	764,937	443,419	350,866	....	104,530	125,811,839
Barclays (Canada)	1,122,454	....	....	....	14,471	....	....	450,000	47,908	14,795	....	....	....	9,246,554
Total	884,378,313	135,241,027	21,580,099	102,145,572	12,849,348	7,446,317	6,224,622	78,354,807	51,335,931	6,497,182	13,631,732	13,192,631	1,577,731	2,842,487,770

*Of this deposit $5,181,732 is in gold coin; the balance is in Dominion notes.
*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.
†The figures of The Canadian Bank of Commerce (California) are incorporated in the above statement.—Footnote to Canadian Bank of Commerce return.
‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above statement.—Footnote to Royal Bank return.
§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in the above return.—Footnote to Banque Canadienne Nationale return.

Insurance for Buyer and Seller

FIRE COMPANIES MAY BE FORCED TO REVISE ASSETS

Finlayson Warns of New Trend in Respect of Stock Holdings

OPINIONS DIFFER

Old Theory That Common Stocks Are Suitable Investment Now Discounted by Many

That fire insurance companies will be forced by the experiences of the past few years, to revise their ideas as to what is a suitable form of investment for their assets, was the warning thrown out by G. D. Finlayson, federal superintendent of insurance, last week.

Reviewing some of the trends of the past year Mr. Finlayson indicated that not only company executives but legislative bodies may be forced to revise their theories as to what constitutes a suitable investment for fire insurance funds.

More Rigid Restriction

The theory of investing in common and preferred stocks—at least to the extent of the company's own capital stock—is now opening up grounds for difference of opinion and the trend for the future, according to the federal superintendent will probably be "to more rigidly restrict, than in the past, the proportions of the investments of the companies in common stocks."

Mr. Finlayson's remarks in this connection are as follows:

"The experience of the last few years in the fire insurance field on this continent will force upon the attention of the company executives, and possibly also of legislative bodies, the question of the most desirable field of investment for fire insurance funds.

"A theory that has had considerable support in the past, even among those who would discountenance the investment of life insurance funds in anything other than gilt-edged terminable securities, has been that preferred and common shares actively dealt in on the stock markets are a justifiable and suitable form of investment for fire insurance companies to at least the extent of the amount of the company's own capital stock.

Based on Two Premises

"This view is probably, in part, based on the fact that normally such investments are quite liquid and so readily available to meet any sudden catastrophe to which fire insurance companies are continually subject; and, in part, also, on the assumption that while the accumulations of policyholders' funds should possibly be invested in senior securities only, the investment of the amount of the capital stock of the companies should be left to the unfettered discretion of the directors representing the shareholders who have contributed that capital.

"The objection which has, as a result of recent experience, been taken to the first ground is that the liquidity of such investments in normal times may disappear in abnormal times when the protection of the public is more than ever necessary, and, to the second ground, that fire insurance companies appeal to the public for patronage on the strength not only of the safeguarding of the insuring public's contributions to the companies but on the strength also of the guarantee afforded by the capital stock of the companies.

"On the latter view all the assets of the companies, whether derived from policyholders or from shareholders are held primarily for the protection of the insuring public and the public is entitled to have all such assets in such a form that the shrinkage in value in times of stress and strain may be reduced to the minimum.

"The view above expressed as heretofore held in favor of investments in common stocks has not been confined to stock companies, but has received support from many large mutual fire insurance companies as well. There is no doubt ground for difference of opinion, but it is not improbable that there will be, for some time in the future, a tendency on the part of executives to more rigidly restrict than in the past the proportions of the investments of the companies in common stocks."

Hydro Official Joins Ontario Equitable Staff

William G. Lawson, for 20 years with the Ontario Hydro, latterly as chief operator and assistant to the general superintendent of the Niagara system, has taken up special work with the Ontario Equitable Life and Accident Insurance Co. of Waterloo.

Mr. Lawson will devote his time to estate, trust and business insurance problems. His office will be located in Hamilton.

Retires From Service

CECIL S. WAINWRIGHT

Formerly vice-president of the British America and Western Assurance group, who has retired after 39 years of service. He will continue as a director of the various companies.

Born at Halifax, he commenced his insurance career as clerk in a local agency at Ottawa, then returning to Halifax with the Eastern Fire Insurance Co. Subsequently he entered the service of the Western and British America Assurance companies in Toronto as a junior clerk in 1895. He was made assistant secretary of the "Western" in 1907, and secretary in 1919; secretary of the "British America" in 1921; assistant general manager of above companies in December, 1923, and vice-president in 1930.

Open Season Approaching For Life Company Meetings

Within a few days now it will be "open season" for the annual meetings of the big Canadian life companies. Some of these are routine affairs; others are highly delightful and instructive gatherings at which wit and wisdom abound.

For the convenience of policyholders and shareholders The Financial Post has compiled the following list of dates as far as they are obtainable at the present time.

This is the line-up:

January 15—London Life.
January 16—Confederation Life.
January 17—Imperial Life.
January 17—National Life.
January 18—Canada Life.
January 18—Manufacturers Life.
January 23—Crown Life.
January 25—Excelsior Life.
January 25—North American Life.
February 1—Mutual of Canada.
February 1—Sovereign Life.
February 6—Great West Life.
February 9—Dominion Life.
February 13—Sun Life.

POLICY BENEFITS OF LIFE COMPANIES SET NEW RECORD

Metropolitan Life President Reviews Achievements of 1933

The outstanding feature of the operations of U. S. legal reserve life insurance companies for 1933 is the payment to policyholders and beneficiaries of $3,100,000,000 during the year, surpassing the record of any previous year in the history of the business and bringing the total of such payments for the five-year period, 1929 to 1933, to $13,003,000,000, according to F. H. Ecker, president of Metropolitan Life.

In addition during this same period, life insurance companies have increased outstanding loans to policyholders by more than $1,800,000,000, making total disbursements through the two sources of $14,803,000,000. These figures, says Mr. Ecker, are in themselves "eloquent testimony of the importance of the business of life insurance in the economic structure of the country and its broad social service."

Notwithstanding the huge disbursements during the year 1933, $381,000,000 were added to the assets of United States companies.

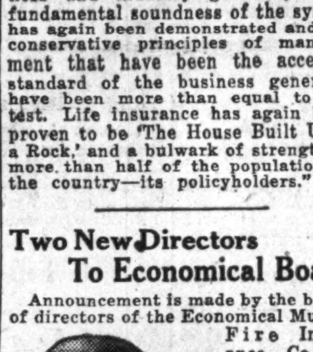
While the new life insurance purchased during the year, $13,000,000,000, is 10.4 per cent below the amount purchased last year, recent months have shown an increasing trend in new business as compared with 1932.

As a result of the shrinkage in national income and widespread unemployment, it is but natural that there should be some shrinkage in the total volume of outstanding life insurance. One authority estimates a shrinkage in national income during the year of 6 per cent. The amount of life insurance outstanding declined only 5 per cent to $95,000,000,000, which equals the total in force at the end of 1928.

"The testing of legal reserve life insurance during this depression has been no less severe than that of business and industry generally. The fundamental soundness of the system has again been demonstrated and the conservative principles of management that have been the accepted standard of the business generally have been more than equal to the test. Life insurance has again been proven to be 'The House Built Upon a Rock,' and a bulwark of strength to more than half of the population of the country—its policyholders."

Two New Directors To Economical Board

Announcement is made by the board of directors of the Economical Mutual Fire Insurance Co. of Kitchener, of the appointment of two new directors.



F. W. SNYDER

The new appointees are F. W. Snyder, managing director of the company and Henry Krug. The vacancies occurred through the death last year of W. H. Schmalz, formerly managing director of the company and Hartman Krug.

Mr. Snyder has been connected with the Economical Mutual for the past 33 years. He was secretary of the company for a number of years and succeeded to the position of manager of the company after the death of Mr. Schmalz. Mr. Krug is manager of Doon Twines, Ltd.

Insurance Inklings

V. EVAN GRAY, K.C., has announced the dissolution of his former partnership in the firm McRuer, Evan Gray, Mason & Cameron. Mr. Gray will continue the practice of law at 1407-8 Sterling Tower, Bay St., Toronto.

The **Farmers Mutual Hail Insurance Co.** has announced a return to its policyholders of 10 per cent of net profits of this year's underwriting. The payment has been made possible through change in policy of the company which formerly reinsured 40 per cent of its business with Lloyd's in England. For the past year, the company re-insured all of its business with Lloyd's and the possibility of this policy being continued is under discussion.

At the annual meeting held recently in Regina, the following officers were elected for the following year:

President, Alex Collopy, Frobisher; vice-president, John Worden, Arcola; both re-elected. The three retiring directors, F. G. Strayer, Drinkwater; R. T. Young, Arcola, and E. P. St. John, Kisbey, were also re-elected. The board for 1934 will be composed of these offices and M. J. Olsen, Arcola, A. P. Beausoleil, Willow Bunch, Ed. Kraehling, Arcola, and Charles Harlton, Belleplaine.

New Ontario Manager For Canadian Indemnity

W. Culver Riley has been appointed branch manager for Ontario by Canadian Indemnity Co. He is succeeding R. T. Robinson who has recently joined the firm of Mitchell & Ryerson of Toronto.

Culver Riley has been with Canadian Indemnity since 1926, commencing in the hail department, but later concentrated on the casualty end of the business. He was for a year with the B.C. branch of the company and for the past four years has been at head office as assistant casualty manager.

Diamond Jubilee For London Life

London Life Insurance Co. celebrates this year its diamond jubilee. The company was founded in 1874 by Joseph Jeffery who in that year secured an Ontario charter incorporating the London Life and Accident Co. to write ordinary insurance on a non-par basis, and also accident insurance. From this small beginning has grown one of the leading institutions of its kind in Canada.

Preliminary returns respecting the company's 1933 business show that the ordinary branch topped by $59,000 the volume of new business as compared with 1932. The 1933 total was $27,401,014. This figure is of course exclusive of the volume of ordinary business placed by the company's industrial representatives and which normally amounts to over $20,000,000.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

No Pension in Quebec

My mother who at the present time is 70 years of age has been a widow for the past 10 years. At the time my father died, he did not leave any assets of any kind and my mother, of course, is dependent on my brother and myself for her livelihood. Caused by the depression, which has lasted for the past three or four years, it has been more difficult to take care of this.

Would she, under the pension scheme for widows 70 years and over, be entitled to a pension?

Up to the present time, the province of Quebec has not elected to take advantage of the federal legislation in respect of Old Age Pensions.

As far as we know, therefore, there is at present no system that your mother could take advantage of, if she is resident in that province.

Quebec is the only province which has not now taken advantage of the Old Age Pension law, in spite of the fact that the special Quebec Commission on social insurance recommended in November, 1932, that the province take advantage of the Dominion legislation "as a temporary and transitory measure," and pending the establishment of a "contributory and obligatory" system of old age insurance.

Interesting Figures In Japanese Report

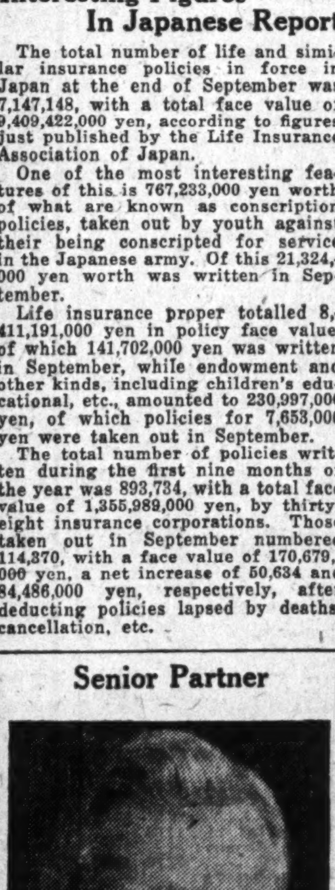
The total number of life and similar insurance policies in force in Japan at the end of September was 7,147,148, with a total face value of 9,409,422,000 yen, according to figures just published by the Life Insurance Association of Japan.

One of the most interesting features of this is 767,233,000 yen worth of what are known as conscription policies, taken out by youth against their being conscripted for service in the Japanese army. Of this 21,324,000 yen worth was written in September.

Life insurance proper totalled 8,411,191,000 yen in policy face value, of which 141,702,000 yen was written in September, while endowment and other kinds, including children's educational, etc., amounted to 230,997,000 yen, of which policies for 7,653,000 yen were taken out in September.

The total number of policies written during the first nine months of the year was 893,734, with a total face value of 1,355,989,000 yen, by thirty-eight insurance corporations. Those taken out in September numbered 114,370, with a face value of 170,679,000 yen, a net increase of 50,634 and 84,486,000 yen, respectively, after deducting policies lapsed by deaths, cancellation, etc.

Senior Partner



A. J. MYLREA

Who has been elected to senior partnership in the insurance brokerage firm of Reed, Shaw & McNaught. Mr. Mylrea is one of the best informed authorities on automatic sprinkler risks in Canada.

Ont. Equitable Picks F. Relyea As New Actuary

F. B. Relyea, of Des Moines, Iowa, has been appointed actuary of the Ontario Equitable Life of Waterloo, according to an announcement by M. J. Smith, general manager of the company.

The position was made vacant in 1932 when G. W. Geddes resigned to become general manager of the Northern Life.

Started With Manufacturers

Mr. Relyea is an honor graduate in mathematics and physics of the University of Toronto. He began his actuarial career with the Manufacturers Life. In 1925 he joined the Bankers Life, Des Moines, becoming assistant Actuary in 1927. He is a fellow of the Actuarial Society of America.

Mr. Relyea expects to assume his new duties about March 1.

FAVORABLE REPORTS FROM CHIEF CITIES

January Trade Reported Good at Most Centres

The weekly trade report of Canadian Credit Men's Trust Association, for the week ending January 6, is as follows:

Halifax—Wholesale and retail trade reported as fairly satisfactory. Potatoes are moving slowly. The apple crop was large. European demand has been good and exports are well ahead of last year and realizing better prices. The November fishing catch was the smallest for some years and stocks of dried fish are now possibly the lowest in the history of the trade. Prices have strengthened. Lumber and pulpwood stocks are low, and there is a good demand for the former from the English market. Woods operations are expected to be substantially in excess of last year. Coal production for November reported as considerably in excess of that for the same month last year. Collections fair.

Saint John—Wholesale trade reported quieter. Retail trade generally report the usual after-holiday lull prevails. Collections continue fair.

Montreal—Wholesale groceries continue in good demand; dry goods very fair; boots and shoes moving moderately well; clothing, fair to quiet; hardware, still quiet; ladies' wear, fair only. Both city and country retail merchants report a very fair week's trading. Collections: wholesale, fair to slow; retail, continue to show a slight improvement but still slow.

Toronto—There is usually a lull immediately following the Christmas season but reports from retail stores indicate that business for the past week or two has shown a marked improvement over previous years. Men's furnishings, hosiery, hardware, knit goods, shoe trade, all report business holding fairly steady. The paint trade reports good placing orders for spring delivery. The automotive industry is making preparations for an improved turnover. Collections fair.

Winnipeg—Wholesale groceries reported as continuing in fair demand; dry goods and footwear lines moving moderately well. Retail trade generally shows an improvement over previous week and volume slightly in excess of that for the same period last year. Collections fair to slow.

Regina—Wholesale trade in grocery and dry goods lines reported as satisfactory; hardware good. Retail city trade for the week reported as just fair; country trade rather quiet. Wholesale collections on current accounts kept in line; little coming in on old outstandings. Retail city collections fair; country, very slow.

Moose Jaw—Wholesale and retail groceries reported as fairly good; wholesale and retail hardware fairly good; dry goods fair. General retail trade rather quiet. Collections fairly good.

Saskatoon—Volume in wholesale groceries reported fair to good; dry goods fair; hardware sales fair and show up very favorably compared to same period last year; oils and greases, just fair, the extremely cold weather affecting sales in this line; boots and shoes, fair only. Retail trade generally rather quiet, merchants experiencing the usual seasonal lull. Country trade slow. Collections remain about the same.

Calgary—Unusually cold weather is having a retarded effect on retail sales, particularly in country districts where traffic is more or less confined to a minimum. Reports coming in covering end of the year business, however, very satisfactory, and had it not been for adverse weather conditions quite encouraging improvements in turnover would have been shown. Collections coming in very slowly.

Edmonton—Business, wholesale and retail, owing to continued severe cold and blocked roads, very quiet. Collections on current accounts good; on old outstandings, slow.

Vancouver — Grocery, boots and shoes, and dry goods lines report volume of business and collections as fair. Hardware sales reported slightly down, which is usual for this time of year. Retail business for the holiday season has been beyond expectations and there is a feeling of optimism prevailing for better conditions generally.

Extend Intermediate Tariff To Austria for Year

H. D. Scully, Commissioner of Customs, has notified collectors of customs and excise that the intermediate tariff extended to Austria will continue for a further period of one year dating from January 1, 1934.

This affects products originating in and coming from Austria when imported direct, conveyed without transhipment from a port of Austria or from a port of a country enjoying the benefits of the preferential or intermediate tariff into a sea, lake or river port of Canada.

Draft New Model Of Companies Act

From Our Own Correspondent

OTTAWA. — In collaboration with provincial authorities, the Federal law officers have completed the first draft of a model companies act. This draft will be submitted to the Dominion-Provincial conference and if approved will form the basis of legislation at Ottawa and at the provincial capitals this year.

Copies of the draft are not available to the public but it is said that the model contains all that is good in the old Companies Act as well as the clauses of proved worth in the provincial statutes. Several "blue sky" sections are included and in this connection the Manitoba act has been adopted.

World Petroleum Situation May be Stabler in 1934

"Predictions are always dangerous and never more so than when made with respect to the output of materials and perhaps particularly so with respect to mineral oils which do not lend themselves readily to storage," said G. Harrison Smith, president Imperial Oil, when asked for a short statement on the world situation with respect to the oil industry.

"However," he continued, "an attempt at forecasting is inevitable in business and the indications at the close of 1933 all point to greater stability of the world's petroleum industry in 1934. Under its policy of National Recovery, the Federal Government of the United States has insisted that the petroleum industry stabilize production, if not by self-government, then under the direction of Federal authority. The current year is closing amidst a discussion of the details.

"The Soviet situation this past several months has altered. Instead of seeking to press supplies upon a declining market the Soviet authorities have reduced exports of petroleum products, Soviet sales abroad for August to January period, 1932, declining from 3,938,828 metric tons of 224 Imperial gallons each to 3,321,920 metric tons in 1933. Among the other important producing countries, Roumania appears to have been running oil at a slower rate in 1933 than during the last six months of 1932, while Venezuela has about maintained its 1932 volume.

"Canada as an important refiner but an unimportant producer of crude oil cannot help but be interested in the world situation. The pressure of excessive supplies from abroad has been severe on industries of countries which are not self-sufficient in the matter of supplies."

Dwelling Rates Cut In West. Canada

From Our Own Correspondent

REGINA.—Fire insurance rates affecting all cities in Western Canada have been cut, effective December 1 of 1933. Insurance companies who are members of the Western Canada Insurance Underwriters' Association have taken off 20 per cent in rates for renewals and new business over the three-year period from December 1. The announcement was made at the first of the year in Regina.

The new rates are for dwellings and apartment blocks. Business houses and merchandising rates remain unchanged. There may be an increase in the rate where losses during the past few years have been unsatisfactory.

Hold Your Life Insurance Despite Loan Against It

Reprinted from Imperial Life-Guard

It pays to hold to your old life insurance policy. Such a policy becomes more valuable every year you own it, because it represents privileges and values no longer available to you as a buyer of new insurance.

Your policy a number of years in force has a number of advantages:

1. Your cash values are increasing regularly and usually more rapidly than they did in the early years.
2. Earnings on older policies are larger than on new policies because of the larger reserve values earning interest.
3. Many older policies have benefits, such as disability, some of which can only be purchased at higher rates, and others of which can no longer be secured at all today.
4. Your old policy with a number of years paid has, in many instances, only a few years to go before it is fully paid for.
5. Even if your old policy has a loan on it, it is no different to your having borrowed the money from the bank or some other source. And every cash repayment you make on the loan is a 6 per cent investment for you, a return not available today on any other high-grade investment.
6. The premium deposit you make is based on the age when you took out the old policy—a rate much below what you would have to make today for a similar policy at your present age.
7. Should your circumstances and accordingly your insurance needs have changed from what they were when you originally bought your old policy, a change in your old policy to what you require is always better than to consider dropping it to buy a new one.

SALES OF RADIOS UNDER 1932 LEVEL

Manufacturers Have Improved Inventory Position

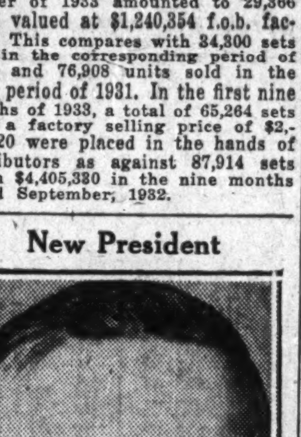
Sales of radio receiving sets in Canada during July, August and September of 1933 amounted to 29,366 units valued at $1,240,354 f.o.b. factory. This compares with 34,300 sets sold in the corresponding period of 1932, and 76,908 units sold in the same period of 1931. In the first nine months of 1933, a total of 65,264 sets with a factory selling price of $2,610,920 were placed in the hands of distributors as against 87,914 sets worth $4,405,330 in the nine months ended September, 1932.

Chief increase in sales during the third quarter of 1933, was in automobile and other portable battery sets which totalled 5,072 sets as compared with 190 sets in the first quarter and 120 sets in the second quarter. Increased sales were also noted in other battery models, medium and short wave sets and table and mantel models while sales of console sets and phonograph and radio combinations were slightly lower.

Over a 12 months' period the position of Canadian radio manufacturers showed improvement in stocks on hand, inventory being down to 9,937 sets at September 30, 1933, from 31,139 sets at September 30, 1932. Production of radio receiving sets in the third quarter amounted to 22,061 units with a factory selling price of $938,389, which brings the total production for the nine months ended September 30, 1933, to 44,306 units worth $1,564,930.

Sales of radio receiving sets in Canada during the first nine months of 1933 show a decline of 25.8 per cent from sales in the same period of 1932 and a drop of over 57 per cent from sales in the same period of 1931. Ontario sales in the 1933 period accounted for 43.6 of all sales in Canada and Quebec sales for 19.1 per cent. Sales in the four western provinces account for 30.7 per cent of total sales and sales in the Maritimes, 6.6 per cent. A larger proportion of the total business available is shown in the Maritimes, Ontario, Saskatchewan, Alberta and British Columbia, than was the case in 1932.

New President



GEORGE H. BEAUDRY

Of Imperial Life Assurance Co., who was elected president of the Life Underwriters' Association of Montreal at their annual meeting held recently.

Larger Apple Shipments

The movement of apples from the Annapolis Valley to Halifax for export since the beginning to the end of the 1933 season totals 992,155 barrels, 27,896 half-barrels, 442 boxes and 703 hampers, as compared with 351,789 barrels, 16,712 half-barrels, 484 boxes and 447 hampers for the same period in the previous year.

PROTECTION
THE ONTARIO EQUITABLE
LIFE AND ACCIDENT INSURANCE COMPANY
HEAD OFFICE WATERLOO ONTARIO
The satisfaction policyholders have in their contracts with this Company offers the basis of opportunity for its representatives. Assets exceed $8,200,000.

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
Insurance in force over $250,000,000.00
Total Assets over 3,000,000.00
Agents required in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

PILOT POLICIES PROTECT
PILOT INSURANCE COMPANY
Automobile, Fire, Accident, Burglary, Plate Glass, Liability Insurance, Fidelity and Surety Bonds
International Claim Service on Automobile Policies
Inquiries for Agencies Invited
HEAD OFFICE: 159 BAY ST., TORONTO
Norman G. Duffett, Vice-Pres. and Gen. Mgr.
T. W. McIntosh, Supt. of Agencies
A STRONG CANADIAN COMPANY

PROTECTION
The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.
Assets — $49,000,000.00
Independent Order of Foresters
FRANK E. HAND, Supreme Chief Ranger
HEAD OFFICE: TORONTO, CAN.

Fostering Involuntary Thrift
The greatest cause of poverty is not inability to earn, but neglect to save.
One of the first merits of life assurance is that it instils thrift regularly and systematically into those who lack the will-power to save.
It is a constant brake on families that spend too freely.
It thereby establishes a permanent plan of orderly economy, the need of which heads of households often realize but are unable to enforce.
The Sun Life of Canada has an appropriate plan to cover every need.
See a Sun Life Representative
Sun Life Assurance Company of Canada
HEAD OFFICE — MONTREAL

THE DOMINION LIFE ASSURANCE COMPANY
HEAD OFFICE - - - WATERLOO, ONTARIO

FIRE - AUTOMOBILE - MARINE - CASUALTY
Both the Agent and the Company
An Insurance Company depends for its growth upon service and integrity. So does the insurance agent.
For over eighty years Western has shown consistent growth and it is a matter of pride that this has been the result of giving real service to the agent, who in turn is enabled to maintain a high standard of service to his clientele.
ASSETS over $8,000,000
LOSSES PAID since organization of Company in 1851 over $112,500,000.00
WESTERN ASSURANCE COMPANY
HEAD OFFICE - TORONTO

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
BRANCH OFFICES: Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, St. John, Halifax
HEAD OFFICE FOR CANADA HAMILTON ONTARIO
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $4,616,449.70
ALL POLICIES NON-ASSESSABLE, PAYING DIVIDENDS RANGING FROM 20% TO 30%

THE MONARCH LIFE ASSURANCE COMPANY
A PROGRESSIVE CANADIAN COMPANY
Special Reserves and Surplus
OVER ONE MILLION DOLLARS
Offices in Principal Canadian Cities

Complete Analyses Of Canadian Companies
The Financial Post Corporation Service company analyses will give you complete and detailed information on the companies in which you are interested.
All the facts needed to thoroughly investigate a company are contained in these reviews — history, management, capitalization, balance sheets and earnings statements for seven years, etc.
Analyses are available a few days after the issuance of a company's annual report except in the case of very large companies when some days are required to complete the review due to the extensive nature of each analysis. Send in the coupon below.
Price — $1 for Each Analysis
The Financial Post Corporation Service, 481 University Avenue, Toronto.
Please send me The Financial Post Corporation Service analyses on the companies indicated. I enclose $......... at the rate of $1 for each.
.... Name ....
.... Address ....

U. S. TO BORROW AT FASTER PACE THAN IN THE WAR

Billions of Public Money to be Poured Into Relief

"BALANCED" BUDGET

But Making Books Balance is to be Achieved by Capitalizing Huge Totals

By Dr. GAINES T. CARTINHOUR
School of Commerce, Accounts and Finance, New York University.

NEW YORK.—President Roosevelt's budget message to Congress calling for an outlay of ten billion dollars by the end of June (the last month in the present fiscal year), and six billions during the 1934-35 fiscal year is most unusual and Canadian observers of American developments may be interested in a brief discussion of some of the problems involved. The message is amazing because it sets up a programme of financing for the next six months which exceeds the average monthly borrowings during the World War years; forecasts a deficit over $7,000,000,000 for the present fiscal year, the greatest during any peace-time year in the history of the country; and predicts for the next fiscal year a balanced budget with the exception of funds spent for relief (directly) and completing the last part of the reconstruction programme.

Huge Special Accounts

A brief statistical summary of the two budgets will give a fairly complete picture of the situation. For the present fiscal year, which end in June, ordinary routine expenses are expected to total $3,046,000,000. Emergency costs due to the reconstruction programme will total $7,523,000,000 including public works, $1,227,000,000; conservation corps, $342,000,000; civil works, $400,000,000; R. F. C., $3,970,000,000, new appropriations, $1,166,000,000, and miscellaneous, $418,000,000. Revenues are expected to total $3,260,000,000.

During the fiscal year 1934-35, ordinary expenses will probably total $3,237,000,000.

Emergency costs will total about $3,204,000,000, including public works $1,090,000,000, undesignated (relief, etc.), $2,000,000,000, miscellaneous $114,000,000.

Revenues will be approximately $4,455,000,000.

The latter budget would balance except for the expense for direct relief and ending the recovery programme. A part at least of the ten billion dillar increase in the national debt is presumably recoverable on paper, about 60 per cent; in fact, probably about 40 per cent.

There is little doubt that it will be possible to secure the funds required but it is believed the process will have a considerable effect upon the government bond market and the general banking situation. It is clear that the public cannot be relied upon to buy long-term bonds. The present situation is entirely different from that existing during the World War when the people were not poor. The banks, however, are in possession of excess credit reserves which the administration has so far been unable to put to work. Since private business will not start credit moving on a substantial scale the government plans to do so by borrowing and spending and getting such reserves into the markets. It should be observed that American commercial banks have already tended to do otherwise than employ the majority of their funds in commercial loans. The government's plan will accelerate this trend if the major part of the new financing goes into the portfolios of commercial banks in the next six months.

Better Bond Market

Conditions fortunately are much sounder in the bond market than they were a year ago. Then the market was under the pressure of liquidation by commercial and savings banks and life insurance companies. All were trying to put themselves in a highly liquid position. Fortunately with the government having to appeal to banks and others for such enormous loans, it is unlikely anything will be done to disturb confidence in the financial system.

Wall Street was interested primarily of course in what the President had to say about his monetary policies; but it learned little except that stabilization cannot be effected in the near future, that a currency with stable debt-paying power is still favored, and that plans will be continued to raise commodity prices. Sharp unsettlement in the U. S. bond market followed his address, with substantial temporary price declines. The street was also interested in the reference to "speculation with other people's money," undoubtedly aimed at stock market plays by bankers, corporation officers, certain classes of brokers and others in positions of trust. It also indicates possible voluntary, if not compulsory, curbs on pools and margin trading.

Codes to Remain

The one striking sentence in his highly generalized discussion of the N.R.A. relates to the type of industrial regulation which the federal government may be expected to exercise in the future. He says the government will continue to supervise business conduct, but will not dictate the rules. In other words, he infers codes are here to stay.

While there are many problems facing the United States during 1934, none of them have as dangerous possibilities as unwise monetary policies and government financial plans. There should be no dsposition to minimize the gravity of the financing problems that are involved in this administration's programme.

CAN. VINEGARS SHARES EARNED $1.73 IN 1933

Increased Fixed Assets; Reduced Mortgage on Vancouver Plant

Increase in net earnings to $1.73 per share from the $1.65 earned in the previous year by Canada Vinegars Ltd. resulted from operations in the year ended November 30, 1933. Net earnings from operations are up to $249,494 from $233,150 in 1932 and compare with peak earnings of $251,390 shown in 1931. Provision for depreciation is slightly higher and reserve for taxes is up by $9,000 but the company earned its dividend of $1.60 per share with a margin that permitted increase in surplus by $12,344.

The income and surplus account of the company for the past two years is as follows:

Consolidated Income and Surplus Account
Years Ended November 30

	1933 $	1932 $
Net earnings*	249,494	233,150
Less: Deprec.	58,051	57,467
Income tax res.	30,207	21,194
Western Vinegars min. int.	1,692	2,792
Net profit	159,544	151,697
Less: Dividends	147,200	147,200
Surp. for year	12,344	4,497
Add: Prev. surp.	204,960	200,463
Bal. forward	217,304	204,960

*After all costs of operation, management, selling and office overhead expenses.

Working capital at $342,260 is slightly under that in 1932 due to increase in current liabilities. Cash at $45,987 and Dominion of Canada bonds carried at $30,732 are both higher than in 1932; inventories are up to $324,409 from $319,401 while accounts receivable are down to $55,166 from $65,138. Increase in current liabilities is due to increase in reserve for taxes which is up to $30,500 from $22,000 and in accounts payable which are up to $38,527 from $25,583. Liability to customers for containers is down to $17,458 from $28,811 while provision for retainers returnable remains at $27,500. Working capital position is as follows:

Working Capital

	1933 $	1932 $
Current assets	456,244	449,345
Current liabilities	113,984	103,894
Working capital	342,260	345,451
Ratio	4.00—1	4.33—1

Fixed assets are carried at $1,539,133 as compared with $1,518,169 in 1932. Reserve for depreciation on buildings, plant and equipment is up to $308,048 from 250,706 while mortgage payable on Vancouver plant has been reduced to $7,923 from $16,451 and book value of stock of Western Vinegars Ltd. not owned by Canada Vinegars Ltd. is down to $25,615 from $69,001. There remain outstanding 92,000 shares of no par value common stock carried at $1,322,503.

Canadian National Fleet Reduced to 22 Vessels

From Our Own Correspondent

MONTREAL. — Canadian Government Merchant Marine's fleet has been reduced to 11 vessels, as a result of the sale of 12 steamers during the past year. Originally the fleet numbered 57.

The Canadian National Steamships now number 22, of which 11 are with the C. G. M. M., and the balance with the Canadian National (West Indies) Steamships.

Only three of the 22 steamers are laid up, the Canadian Planter being in Montreal, while the Canadian Britishers and Canadian Pioneer are in Halifax, prepared to replace others that may have to be withdrawn for overhaul or other cause.

Saint John Traffic Up

Total freight tonnage through the Port of Saint John for the eleven months ended Nov. 30 showed an increase of 148,831 tons over a total of 577,070 for the corresponding period last year, according to the official records.

T. C. E. Watt E. H. Watt F. G. Venables
R. W. Wilson W. L. Christie

WATT & WATT
Established 1906
Members:
Toronto Stock Exchange
Standard Stock and Mining Exchange
Winnipeg Grain Exchange
Chicago Board of Trade
New York Curb (Associate)

INDUSTRIAL and MINING STOCKS
BONDS GRAIN
Direct Wires to — Montreal, Winnipeg, New York Chicago
6 Jordan Street Toronto
ADelaide 3221

Manufacturers of High-Grade
Knitted Underwear
Hosiery and Outerwear
Mills at: Paris, Brantford, London, Waterford, Ontario; Coaticook and St. Hyacinthe, Quebec.
PENMANS LIMITED
General Offices: Paris, Ontario
Penmans

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING JANUARY 8

Range 1933-34 High	Low	Divd. Rate in $ Jan. 6	Yield in %		Sales	Close Jan. 1 (or last)	Week Ending Jan. 8 High	Low	Close
				A					
4.00	.25	.	...	Abitibi	4249	.85	1.15	.90	1.00
10	1	.	...	Do. pref. 6%	25	4½	5	5	5
x80	80	.	...	Acme F. D'y p.	....	..	..	..	..
8	4	.	...	Agnew Surp.	....	6	..	..	..
67	57½	7	...	Do. pref.	....	59½	..	..	..
10	2½	.	...	Alta Pac. Gr.	50	3	3	3	3
40	14½	.	...	Do. pref.	120	15	18	17½	18
1	1	.	...	Amal. Electric	....	1	..	..	..
10	3	.	...	Do. pref.	....	10	..	..	..
x3½	3½	.	...	Anglo. N. Hold.	....	..	..	..	..
1.00	.15	.	...	Asbestos	....	1.00	..	..	..
2	½	.	...	Do. pref.	....	2	..	..	..
15	3½	25c	..	Assoc. Brew.	91	9½	10	9½	10
90	65	7	7.8	Do. pref.	....	90	..	..	..
x3	3	.	...	Assoc. Can.	....	..	..	..	..
x69	65	.	...	Assoc. Tele.	....	..	..	..	..
				B					
155	127	10	7.2	Bk. Can. Nat.	59	138	140	138	140
221	150	8	4.3	Bk. Montreal	511	163½	192	167	191
285	228	12	4.4	Bk. N. Scotia	258	270	275	267½	274
215	151	10	5.8	Bk. Toronto	85	160	178	161½	178
17	10	.	...	Barcelona	....	15	..	..	..
8	1	.	...	Bathurst Pr.	80	3½	3	3	3
1	1	.	...	Do. (B)	....	1½	..	..	..
†26	26	.	...	Bawlf Grain	....	..	..	..	..
20	6	.	...	Do. pref.	20	6	7	7	7
7	3	.	...	Beath & Sons	....	5	..	..	..
15	3½	.	...	Beatty Bros. A	....	5	..	..	..
72	53	6	9.1	Do. pref.	....	66	..	..	..
8½	3½	.	...	Beauharnois	2129	3¾	4½	3½	4
60	50	4	6.7	Belding Cort.	....	60	..	..	..
90	85½	7	7.9	Do. pref.	....	88½	..	..	..
120½	80	6	5.4	Bell Telephone	670	111½	112	110	111
9	3½	50c	...	Biltmore Hats	....	8	..	..	..
76	62	7	9.2	Do. pref.	....	76	..	..	..
4	2	.	...	Bissell, T. E.	100	2	2	2	2
†97	88	.	...	Do. pref.	....	..	..	..	..
[illegible]									

Range High 1933-34	Low	Divd. Rate Jan. 6 in $	Yield in %		Sales	Close Jan. 1 (or last)	Week Ending Jan. 8 High	Low	Close
102	70	6	8.6	Huron & E. M.	18	70	70	70	70
18	10½	.	...	Do. 20% pd.	....	10½	..	..	..
10	5½	.	...	Hydro-Electric	15	5½	5½	5½	5½
				I					
185	123	10	6.9	Imperial Bank	69	143	160	141	160
16	7½	50c	3.6	Imperial Oil	13740	12½	14½	12½	13½
11½	7	52½c	4.7	Imperial Tob.	3978	10½	11½	10½	11
18	17	.	...	Inter. City Bak.	....	17	..	..	..
5½	5½	1	...	Inter'c Coal	....	5½	..	..	..
b13½	2½	.	...	Int. Hyd. E. A.	2300	4½	5½	4½	5
105	95	7	7	Inter. Mill. pf.	100	100	100	100	100
90	82	6	7	Do. Series A.	....	85	..	..	..
23.25	8.00	.	...	Inter. Nickel	28410	21.70	21.90	21.15	21.25
x4	4	.	...	Inter. Paints	....	..	..	..	..
b10	½	.	...	Int. P. & P. A	400	3½	4½	4	4
b5½	½	.	...	Do. (B)	800	1½	2	1½	1½
b4	½	.	...	Do. (C)	1300	1½	1½	1½	1½
b22½	2	.	...	Do. pref.	1500	12½	12½	10½	10½
22½	10½	1	4.8	Inter. Petd.	6760	20½	21	19½	20½
5	2	.	...	Inter. Power	....	2	..	..	..
24	8	.	...	Do. pref.	....	15	..	..	..
13½	3	.	...	Int. Util. (A)	15	3	3	3	3
4.12	.55	.	...	Do. (B)	1350	.70	1.00	.80	.90
				J					
†40	40	1	...	Jam. Pub. Ser.	....	..	..	..	..
98	70	7	7.2	Do. pref.	5	97	97	97	97
				K					
7½	½	.	...	Kelvinator	20	4	4½	4½	4½
80	55	7	8.9	Do. pref.	....	78	..	..	..
				L					
18½	5	.	...	Lake of Woods	220	12	13½	13	13½
70	30	.	...	Do. pref.	75	56	56	56	56
85	80	6	7.5	Landed Bank	....	80	..	..	..
25	25	.	...	Langley's pfd.	....	25	..	..	..
51	36	3	6.3	Laura Secord	72	47½	50	47½	47½
7	1½	.	...	Lindsay, C. W.	....	2½	..	..	..
36	25	.	...	Do. pref.	....	35	..	..	..
21½	10½	80c	5.6	Loblaw (A)	1650	14½	14½	14½	14½
[illegible]									

x Quotations for 1932. No sales recorded in 1933-34 to date.
‡ Quotations for 1931.
† Quotations for 1930.
On account of arrears.
¶ Plus extra of 87½c, payable Jan. 31.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Ajax Oil	8c	2c	Jan. 15	Dec. 30
Biltmore Hats, com.	...	50c	Jan. 15	Dec. 30
Brantford Cordage, pfd.	8%	2%	Jan. 15	Dec. 20
Beatty Bros., pref.	6%	1½%	Feb. 1	Jan. 15
Brewers & Dist., c.	..	10c	Jan. 15	Dec. 30
B. C. Power, A	$1.50	37c	Jan. 15	Dec. 31
Belding Corticelli, c.	$4	$1	Feb. 1	Jan. 15
Bell Telephone	$6	$1.50	Jan. 15	Dec. 22
Bruck Silk Mills	†	25c	Jan. 15	Dec. 15
B. C. Electric Rly., pfd.	5%	2½%	Jan. 15	Jan. 8
Calgary Power, pref.	6%	1½%	Feb. 1	Jan. 15
Community Trusts	$2.50	62½c	Jan. 15	Dec. 30
Can. Bronze	60c	15c	Feb. 1	Jan. 19
Do., pref.	$7	$1.75	Feb. 1	Jan. 19
Can. Wineries	..	10c	Jan. 15	Dec. 29
Canada Northern Pr. c.	80c	20c	Jan. 25	Dec. 30
Do., extra	..	10c	Jan. 25	Dec. 30
Do., pref.	$7	$1.75	Jan. 15	Dec. 30
Cons. Mining & Smelting	$6	$1.50	Jan. 15	Dec. 30
Canada South. Rly. c.	$3	$1.50	Feb. 1	Dec. 29
Can. Light & Power	$1	50c	Jan. 15	Dec. 31
Coniagas Mines	...	12½c	Jan. 10	Dec. 30
Canada Dry	$1	25c	Jan. 16	Jan. 2
Can. Gen. Investment (22)	...	7½+2½c	Jan. 15	Dec. 30
Can. Dredge	50c	50c	Feb. 1	Jan. 17
Do., pref.	$7	$1.75	Feb. 1	Jan. 17
Dome Mines	1	25c	Feb. 1	Jan. 12
Do., extra	..	25c	Feb. 1	Jan. 12
Dominion Bridge	$2	50c	Feb. 15	Jan. 31
Do.	..	50c	May 15	Apr. 30
Eastern Twps. Tele., c.	72c	18c	Jan. 15	Dec. 31
Eastern Theatres pref.	7%	3½%	Jan. 31	Dec. 30
Guar. of N. Amer.	$6	$1.50	Jan. 15	Dec. 30
Do., extra	$10	$2.50	Jan. 15	Dec. 30
Howey Gold	..	†3c	Feb. 20	Jan. 20
Hollinger Gold	65c	5c	Jan. 29	Jan. 12
Imperial Bank	10%	2½%	Feb. 1	Dec. 31
Inter. Nickel, pref.	7%	1¾%	Feb. 1	Jan. 2
Invest. Foundation, pfd.	$1.50	38c	Jan. 15	Dec. 30
Do., on arrears	...	12c	Jan. 15	Dec. 30
Inter. Hydro Elec. pfd.	$3.50	87½c	Jan. 15	Dec. 26
McColl-Fron., pref.	$6	$1.50	Jan. 15	Dec. 30
Model Oils	...	3c	Jan. 20	Jan. 2
Montreal L. H. & Pr.	$1.50	38c	Jan. 31	Dec. 31
Montreal Tramways	$9	$2.25	Jan. 15	Jan. 6
Northern Ont. Pr. pref.	$6	$1.50	Jan. 25	Dec. 30
Do., com	$2	50c	Jan. 25	Dec. 30
N. B. Telephone c.	50c	12½c	Jan. 16	Dec. 30
National Biscuit, c.	$2.80	70c	Jan. 31	Jan. 12
New Eng. Power, c.	$2	50c	Jan. 15	Dec. 30
Penmans	$3	75c	Feb. 15	Feb. 5
Do., pref.	6%	1½%	Feb. 1	Jan. 22
Premier Gold Min.	12c	3c	Jan. 15	Dec. 19
Power Corp., pref.	6%	1½%	Jan. 15	Dec. 30
Do., non-cum., pfd.	$3	75c	Jan 15	Dec. 30
Russell Motor, pref.	4%	1%	Feb. 1	Dec. 30
Southern Can. Power, c.	80c	20c	Feb. 15	Jan. 31
Southern Can. Power, pfd.	$6	$1.50	Jan. 15	Dec. 20
Steel of Canada	$1.20	30c	Feb. 1	Jan. 8
Do., pref.	$1.75	43¾c	Feb. 1	Jan. 8
Sylvanite Gold	..	2½+2½c	Jan. 31	Jan. 10
Toronto Elevators, pref.	7%	1¾%	Jan. 15	Jan. 2
Teck-Hughes	60c	15c	Feb. 1	Jan. 10
Tuckett Tobacco, pref.	7%	1¾%	Jan 15	Dec. 30
United Bond & Share, c.	60c	15c	Jan. 14	Dec. 29
United Gold Equities	...	*5c	Jan. 15	Jan. 1
United Securities	$2	50c	Jan. 15	Dec. 27
Western Grocers, pref.	$7	$1.75	Jan. 15	Dec. 20

† Initial. * Interim.

Dividend Rate Reduced—
B. C. Power, A. Jan. 15, $2 to $1.50 per annum.

Dividends Resumed—
Bruck Silk Mills, 25c. Jan. 15. First payment since 25c. paid May 15, 1930.
Brewers & Distillers, 10c. Jan. 15. Last payment 5c. July 15, 1929.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto.

January 9, 1934

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	1.60	2.00
Acadia Sugar 7% pfd.	4.20	4.60
Agnew-Surpass 7% pfd.	60.50	64.00
Allens London 7% pfd. bonus c.	35.00	....
Allens St. Cath. 7% pfd. bonus c.	35.00	....
Allens Toronto 7% pfd. bonus c.	20.00	....
Andian National Corp.	29.00	31.50
Atlantic Sugar A pfd.	83.00	87.00
B. C. Pulp & Paper pfd.	7.25	....
Burns pfd. bonus com.	3.75	5.75
Canada & Dom. Sugar	36.50	38.00
Canada Machinery, com.	3.50	5.00
Canada Machinery, pfd.	18.50	....
Can. Packers c.	36.75	38.00
Can. Packers pf.	97.50	100.00
Canada Starch c.	4.75	....
Canada Starch 7% pfd.	74.00	....
Canada Wire & Cable pfd. WW	60.50	65.00
Can. Industries com. A x-d	119.00	....
Can. Industries com. B x-d	118.00	121.00
Can. Industries 7% pfd. x-d	125.00	130.00
Can. Westinghouse	44.00	46.00
Chase, A. W. pfd. bonus c.	17.00	21.50
Claude Neon Gen. Adv. Units	2.50	4.00
Dom. Foundries & Steel com.	5.00	7.00
Dom. Foundries & Steel pfd.	38.00	45.00
Dom. Manufacturers 7% pfd.	....	60.00
Dunlop Tire 7% pfd.	62.00	66.00
Eastern Dairies [illegible] pfd.	12.00	19.00
Federal Grain 6½% pfd.	15.00	20.00
Gen. Steel Wares pfd.	15.00	....
Goderich Elevator & Transit	6.25	7.75
Greening Wire 7% pfd.	50.00	....
Guelph Carpet 6½% pfd.	73.50	76.00
Guelph Carpet com.	6.50	....
Harding Carpets Ltd. Units	15.00	....
Highland Dairy Ltd. com.	3.50	....
Highland Dairy Ltd. 7% pfd.	60.00	....
Inter City Baking com.	16.50	19.00
Inter. Proprietaries A	32.50	34.00
Loew's London c.	.25	.75
Loew's London 7% pfd.	3.00	4.00
Loew's Toronto 7% pfd.	56.00	58.00
Massey-Harris 5% pfd.	15.25	....
Mount Royal Hotel com.	.25	.80
Mount Royal Hotel 6% pfd.	2.35	3.25
National Grocers com.	1.90	2.50
National Grocers 7% pfd.	90.50	93.00
Paramount Kitchener pfd.	32.00	....
Paramount Oshawa pfd.	35.50	....
Provincial Paper 7% pfd.	73.00	77.00
Reliance Grain 6½% pfd. ex-d.	35.00	40.00
Robinson Consol. Cone	6.50	8.00
Rolland Paper 6% pfd. WW	48.00	....
Ruddy, E. L. pfd.	5.00	....
Serv. Stations A pfd.	25.00	35.00
Standard Clay Products com.	....	15.50
Standard Fuel 6½% pf. bonus	67.00	71.00
Supersilk pfd. bonus	36.00	....
Supertest Petroleum B pfd.	19.00	21.50
Thayers Ltd. pfd.	19.00	....
Toronto Elevators 7% pfd.	88.00	90.00
Toronto Housing com.	13.00	....
United Corpns. Ltd. A	5.75	....
United Corpns. Ltd. B	1.25	2.00
United Grain Growers	6.50	11.00
Western Grain 6½% pfd. bonus	7.00	13.00
Western Grocers pfd.	85.50	90.00
Willards Chocolates pfd.	14.00	18.00
Wood, Alex. & James pfd.	16.00	....
Zimmerknit com.	3.00	5.00

Insurance Stocks:	Bid	Asked
Br. Amer. Assce.	24.00	....
Can. Life Assce.	395.00	415.00
Candn. Fire Ins.	56.50	61.00
Confederation Life 20% pd.	120.50	126.00
Continental Life 20% pd.	35.50	....
Crown Life Ins.	97.00%	....
Dom. Fire Ins.	86.00	....
Dominion Life 50% pd.	156.00	....
Dom. of Can. Gen. Ins.	103.00	110.00
Empire Life 25% pd.	9.00	12.00
Excelsior Life 30% pd.	72.00	....
Federal Fire 25% pd.	36.00	....
Great West Life Assce.	310.00	330.00
Guar. Co. of N. A. fully paid	200.00	225.00
Guar. Co. of N. A. 20% pd.	40.00	....
Imperial Life	267.00	280.00
Manufac. Life	206.00	215.00
Monarch Life 10% pd.	17.00	21.00
National Life 25% pd.	51.50	62.00
Sovereign Life 25% pd.	....	20.00
Sun Life Assur.	385.00	410.00
Western Assur. c.	14.00	18.00
Western Life 30% pd.	9.00	11.50

Trust & Loan Stocks:	Bid	Asked
Br. Mtg. & Trust	119.00	130.00
Chartered Trust	53.00	58.00
Eastern Can. Sav. & Loan	111.00	115.00
Eastern Trust	135.00	140.00
London & Western Trust	32.00	36.00
Premier Trust x-d	78.00	....
Security Loan & Savings	90.50	....
Sherbrooke Trust	100.00	110.00
Sterling Trust	....	44.00
Traders Finance 7% A pfd.	35.00	....
Victoria Trust & Savings	130.00	139.00
Waterloo Trust & Savings	90.00	....

Investment Trust Shares:	Bid	Asked
Can. Gen. Invest. Ltd. ex-div.	4.80	5.05
Can. Invest. Fund Ltd.	3.10	3.30
Can. Investors Corp.	5.10	6.00
Consol. Div. Standard Sec. pfd.	10.50	....
Debenture & Sec. 5% pfd.	12.50	....
Dom. & Anglo Invest. Units	156.00	....
Dom. Scottish Invest. Units	14.00	17.00
Investment Foundation Units	27.50	30.00
Sec. Holding Corp. pfd.	8.00	....

Power Issues:	Bid	Asked
Calgary Power 6% pfd.	75.50	79.00
Can. Light & Pwr. com.	16.50	20.00
Can. West. Nat. Gas LH&P pfd.	77.00	81.00
Great Lakes Pwr. pfd.	40.00	....
Maritime Tel. & Tel. com.	9.50	10.65
Maritime Tel. & Tel. 7% pfd.	10.80	12.00
N. B. Telephone c.	8.10	9.00
N. S. L&P c.	24.50	34.00
N. S. L&P 6% pf.	73.50	....

Recent London Quotations:	
Brewers & Distillers	11s. 1½d.
Can. & For. Secs.	4s. 6d.
Can. West. Lumber	1s. 6d.
Hudson's Bay	22s. 6d.
Do., 5% pref.	83s. 9d.
Internat. Holdings	$1½
Nfld. Pr. & Pap. deb. stock B 5½%	94¼
Tor. Sub'an 4½% deb. stk.	20

Winnipeg Stock Exchange

(Transactions for week to January 6)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Jan. 6
..	..	Algoma Mines	1,000	.01⅝	.01⅝	.01⅝
..	..	Central Manitoba	1,000	.11¾	.11¾	.11¾
..	..	Macassa	200	2.03	1.89	2.03
6.50	..	Reliance Grain, pfd.	15	39	39	39
..	..	San Antonio	400	1.80	1.75	1.75
..	..	Towagmac	200	.27	.27	.27
1	10.5	United Grain Growers	2	9½	9½	9½
7	8.1	West. Growers, pref.	25	86	86	86

Stocks Not Traded in During Week*

	Bid	Ask
Beaver Lumb. pref.	..	65
Beaver Lumber c.	..	4
Can. Fire Ins.	55	..
Cres. Creamery pf.	10½	..
Gt. West Life	315	..
Home Investment	20	..
Monarch Life 10% pd.	17	..
Nor. Mtg. part pd.	..	5
Pelissiers, pref.	25	..
Sovereign Life	10	15
Traders Bldg. Assn.	65	..
Can. Amer. Tr. shs.	..	3.00
Can. Invest. Fund	..	3.35
Fundamental Ser. A	..	4½
Fundamental Ser. B	..	3¾
Group Income Shs.	..	4.20

*Stocks more active on other exchanges not included.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)

January 9, 1934

		Bid January 9	Asked January 9	Bid Dec. 30
Industrial Bonds—				
Abitibi P. & P. 5% 1953	F	20.00	22.00	18.50
Abitibi P. & P. C.O.D.	F	18.00	19.50	....
Acadia Sugar 6% 1946		95.50	97.50	94.00
Alta. Pacific Grain 6% 1946		68.50	71.00	70.00
American Sales Book 6% 1939		97.00	....	98.00
Asbestos Corp. 6% 1941	F	29.00	31.00	....
Asbestos Corp. 5% 1942	F	45.00	....	....
B. A. Oil 5% 1945		99.00	101.00	99.00
B. C. Pulp 6% 1950	F	45.00	50.00	47.00
B. C. Pulp 7% 1950	F	11.00	....	....
Burns 5½% 1948	F	31.00	33.00	....
Can. Biscuit 6½% 1946	F	12.00	17.00	15.00
Can. Bread 6% 1941		90.00	92.00	90.00
Can. Cement 5½% 1947		80.00	82.00	79.00
Can. Steamship 6% 1941	F	17.50	18.50	15.00
Can. Canners 6% 1950		96.00	98.00	95.00
Can. Copper Refin. 6% 1945		104.00	105.50	104.50
Can. Cottons 5% 1940		95.00	97.00	....
Can. Vickers 6% 1947		51.00	54.00	51.00
Cons. Invest. 4½% 1959	F	53.50	56.00	....
Davies, Wm. 6% 1942		98.00	100.00	97.50
Debenture & Sec. 4% 1936		67.00	....	67.00
Dom. Tar & Chemical 6% 1949		65.00	68.00	61.00
Dom. Telegraph 5½% 1978 A		80.00	85.00	80.00
Dom. Textile 6% 1949		104.50	105.50	....
Dom. Woollens 6% 1948	F	23.00	....	....
Donnacona Paper 5½% 1948	F	26.00	....	....
Eastern Dairies 6% 1949		63.00	....	....
Famous Players 6% 1948		78.50	....	75.00
Federal Grain 6% 1949		64.00	68.00	....
Firestone Tire 7% 1937		104.50	106.00	104.00
Fraser Co. 6% 1932	F	40.00	42.00	....
Fraser Co. 6% 1950	F	25.00	28.00	....
Galt Brass 7½% 1941	F	23.00	....	....
Gen. Steel Wares 6% 1952		59.00	61.00	....
Goodyear Cotton 6% 1949		103.00	104.00	103.00
Great Lakes 6% 1950	F	24.00	26.00	21.00
Gypsum, Lime & Alab. 5½% 1948		58.00	61.00	....
Hamilton By-Prod. 7% 1943		88.50	91.00	....
Harris Abattoir 6% 1947		101.00	103.00	102.00
Howard Smith 5½% 1953		76.00	....	73.00
Lake St. John 6½% 1947	F	37.00	....	....
Lake St. John 6½% 1942	F	9.50	11.50	....
Loew's Toronto 6% Serial		97.00	....	98.00
Maple Leaf Milling 5½% 1949		31.00	34.00	....
Massey-Harris 5% 1947		65.00	67.00	62.00
McColl-Frontenac 6% 1949		96.00	98.00	95.00
McKinnon Industries 6½% 1945		94.00	....	96.00
Mercury Mills 5½% 1953		54.00	56.00	54.00
Minn. & Ont. 6% Serial	F	7.50	9.50	....
Price Bros. 6% 1943	F	64.00	66.00	....
Provincial Paper 5½% 1947		88.00	90.00	....
Simpsons Ltd. 5½% 1949		74.00	....	71.00
Simpsons Ltd. 6% 1949		80.00	84.00	78.00
Steel of Canada 6% 1940		104.50	105.50	104.00
Stop & Shop 6% 1947		72.00	....	....
Toronto Carpet 6% 1944		90.00	....	90.00
United Corpns. 5% 1953	F	63.50	65.00	....
United Gas & Fuel 5½% 1948		63.00	66.00	63.00
United Grain Growers 5% 1948		73.00	75.00	73.00
United Grain Growers 5½% 1949		76.00	....	....
Wabasso Coton 7% 1942		70.00	75.00	....
Western Grain 6% 1949		42.00	48.00	42.00
Public Utility Bonds—				
Bell Telephone 5% 1955		102.00	103.00	102.00
B. C. Power 5½% 1960		91.50	92.50	89.50
B. C. Telephone 5% 1960		94.50	95.25	....
Calgary Power 5% 1960		86.00	87.00	86.00
Can. Northern Pwr. 5% 1953		83.00	86.00	....
Duke-Price Pwr. 6% 1966		77.25	78.00	74.00
French Natl. Mail SS 6/52		125.00	135.00	....
Gatineau Pwr. 6% 1941 A		68.25	69.00	67.00
Gatineau Pwr. 5% 1956		80.00	81.00	76.50
Maclaren Quebec 5½% 1961		82.50	84.50	....
Manitoba Power 5½% 1951		39.00	42.00	32.00
Montreal LH&P 5% 1970		104.50	106.50	104.00
Montreal Tram. 5% 1941 July		96.00	98.00	96.00
Northwest. Utilities 7/38		98.00	101.00	....
Ottawa Valley Pwr. 5½% 1970		101.00	102.00	99.50
Quebec Power 5% 1968		92.00	94.00	89.00
Rio Tramways 5% 1935		101.00	102.50	....
Shawinigan W. & P. 5% 1970		84.00	85.00	81.00
Shawinigan W. & P. 6% 1937		96.00	97.25	....
Southern Can. Pwr. 5% 1955		99.00	100.00	98.50
West Kootenay Pwr. 5% 1956		98.50	100.00	....
Realty Bonds—				
Albert Bay 6½% 1942		50.00	55.00	....
Balfour Bldg. 6% 1943		35.00	40.00	....
Bloor St. George 7% 1946	F	32.00	....	....
Clarendon Apts. 7% 1946	F	27.00	....	....
Eaton Realty 5% 1949		89.00	91.00	88.00
Godfrey Realty 6% 1942	F	36.00	....	....
General Brock Hotel 6/48	F	25.00	....	....
London Realty 6½% 1950	F	43.00	....	....
Lord Nelson Hotel 4% 1947		44.00	48.00	....
Mayor Bldg. 6½% 1942		30.00	33.00	....
Metropolitan Bldg. 7% 1944		88.00	....	88.00
National Realty 7% 1945	F	24.00	....	....
Northern Ont. Bldg. 6½% 1939		73.00	....	71.00
Richmond Bay 6½% 1947		68.00	....	....
Windsor Hotel 6% 1947		45.00	50.00	....
Government, Provincial & Railway—				
C. N. R. 4½% 1957 Dom. Gtd.		99.50	100.25	98.00
C. N. R. 5% 1969 Dom. Gtd.		106.00	106.50	105.00
C. P. R. 4½% 1944		76.00	77.00	....
C. P. R. 6% 1942		101.00	102.00	....
Dom. of Can. 5% 1936		102.25	103.00	....
Dom. of Can. 5% 1941		103.25	104.00	....
G. T. P. 3% 1962 Dom. Gtd.		85.00	86.00	84.00
G. T. P. 4% 1962 Dom. Gtd.		96.00	97.50	95.75
Ont. Hydro 3½% 1952 Ont. Gtd.		92.00	93.00	....
Ont. Hydro 4% 1957 Ont. Gtd.		93.50	94.25	92.50
Prov. of N. B. 5½% 1950		104.00	105.00	....
Prov. of Ont. 5½% 1946		107.00	108.00	....
Prov. of Ont. 5% 1948		103.50	104.00	102.75
Prov. of Ont. 4½% 1944		101.00	102.00	100.50

F—Traded without accrued interest.

Unlisted Mining Stocks

January 9 1934

	Bid	Ask
Algoma M. & Fin.	.10	.15
Arntfield Gold	.60	.75
Arntfield Synd.	.60	.75
Astoria Rouyn	.02½	.04
Bathurst	.02	.03
Beattie	1.08	1.13
Bidgood	.01½	.02½
Buff. Ankerite	1.22	1.30
Buff. Rouyn	...	.03
Bussieres Min.	...	.40
Can. Radium	.06	.10
Canusa Mining	.03½	.05
Cochenour-Wil. Units	15.00	20.00
Continental Gas.	...	.10
Continental Gold Units	...	125.00
Continental Kir.	..	.05
Crown Reserve	.01	.02½
Delta Units	30.00	50.00
Dorval Siscoe Units	...	15.00
Dunkin	...	.01
Dunlop Cons.	.01½	.02½
Eagle Oil	1.35	1.50
Echo Bay Explor.	...	.35
Edgecreek Un.	10.00	16.00
Flintoba	.00½	.01½
Galatea Units	15.00	25.00
Glenora Gold	.25	.35
God's Lake	.70	.74
Gold Bar Mines	.23	.25
Goldside Units	24.00	30.00
Gr. Bear Lake	.50	.55
Grenteck Un.	10.00	15.00
Gunnar Gold	.62	.65
Herbin Lake Un.	10.00	16.00
Horseshoe	.07	.11
Iroquois Kirk.	.17	.19
Island Lake	.06	.08
Kenty Gold	1.00	1.10
Kirk. Gold	.09	.14
Lake Geneva	.10	.17
Lamaque Gold	.75	1.25
Little Long Lac.	1.25	1.30
McCarthy Webb.	.07	.09
Mackenzie Red Lake	.47	.52
McL. Cockshutt	.15	.18
Makwa Cham.	.25	.28
Man. & Eastern.	.05	.06
Maple Leaf M.	.32	.35
Matachewan Can.	.08	.09
Mecca Gold	.20	.23
Metals Develop.	.02	.03
Minefinders	1.00	..
Minrand Gold	.22	.30
Montreal-Alb. Petroleum	.38	..
N.A.M.E. Units	5.00	8.00
Normetal Min.	.40	.60
Northl'd Pros.	500.00	600.00
N. Tiblemont Un.	...	13.00
O'Connell Gold	.20	.25
Oro Grande Dev.	.50	.70
Peninsular Pet.	.00½	.01
Pontiac Rouyn	.45	.50
Que. Eureka Un.	13.00	17.00
Quebec Pros.	2.50	..
Quetario Pros.	...	2.00
Rubec Mines	.01	.02
Silverore Un.	10.00	12.00
Silveradium Un.	50.00	75.00
Silver Valley	.13	.18
Smelter Gold	.23½	.25
Sourdough Un.	5.00	10.00
South Tiblemont Units	30.00	40.00
Sun Bear	...	.20
Sunorca Explor.	1.00	1.15
Swayze Contact	..	.16
Tiblemont Island	.15	.17
Tom Montgomery Un.	..	150.00
Tyrrell Tp. McN.	..	40.00
West McWatters Units	5.00	9.00
Young Davidson	.19	.21

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.

January 9, 1934

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Apr.	86.00	5.54
Alberta	5	1 July, 1943	1 July	94.00	5.83
Alberta	6	1 Mar., 1947	1 Mar.	99.00	6.11
*British Columbia	4½	1 Oct., 1953	1 Apr.	85.00	5.77
*British Columbia	5	15 Jan., 1948	15 Jan.	91.00	5.95
British Columbia	6	15 Feb., 1947	15 Feb.	98.50	6.17
Manitoba	4	1 July, 1947	1 July	83.00	5.83
*Manitoba	5	2 Dec., 1959	2 June	90.00	5.75
Manitoba	6	1 Apr., 1947	1 Apr.	98.50	6.17
*New Brunswick	4	1 June, 1948	1 June	91.00	4.85
*New Brunswick	4¾	15 June, 1936	15 June	99.75	4.86
New Brunswick	5½	15 May, 1950	15 May	105.00	5.05
*Nova Scotia	4½	15 Nov., 1948	15 May	98.00	4.68
Nova Scotia	5	1 May, 1943	1 May	101.50	4.80
*Ontario	4½	1 Sept., 1944	1 Mar.	102.00	4.27
Ontario	5	15 Oct., 1948	15 Apr.	104.00	4.62
Ontario	5½	1 Feb., 1947	1 Feb.	108.00	4.67
P. E. I.	4	1 Apr., 1939	1 Apr.	97.00	4.65
P. E. I.	6	1 May, 1947	1 May	109.75	5.00
*Quebec	4¼	1 May, 1961	1 May	98.00	4.37
*Saskatchewan	4½	1 Sept., 1955	1 Mar.	84.00	5.80
*Saskatchewan	5	1 Nov., 1959	1 May	87.00	5.99
Saskatchewan	6	15 Mar., 1952	15 Mar.	96.00	6.38
Cities					
*Montreal	5	1 Sept., 1963	1 Mar.	99.50	5.03
*Toronto	4½	1 Jan., 1955	1 July	99.00	4.57
*Vancouver	5	15 Jan., 1970	15 Jan.	82.25	6.00
Winnipeg	5	1 Mar., 1944	1 Mar.	92.30	6.00
*Edmonton	5½	1 Apr., 1947	1 Apr.	88.50	6.81
Calgary	5	1 Jan., 1943	1 July	87.00	6.88
Halifax	6	1 July, 1951	1 July	111.50	5.00
Saint John	5	15 Dec., 1950	15 June	100.00	5.00
Regina	4½	1 July, 1950	1 July	77.50	6.75
Victoria	5	21 July, 1945	21 Jan.	91.50	6.00
Quebec	5	1 June, 1948	1 June	101.00	4.30

*Payable in New York.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

Contact Representative

Experienced in sales executive work, management, advertising and contacting and selling large industrial and financial accounts. Also banking experience. Have occupied positions of trust and responsibility. Splendid references. Contacts in England with china and dye industry. Wish to re-establish.

Apply Box 236, The Financial Post, Toronto, Ont.

Former Secretary-Treasurer and Purchasing Agent

Seeks position. Capable, energetic, with outstanding initiative. Canadian born, 45 years of age. Box 235, The Financial Post, Southam Bldg., Montreal.

Business Wanted

FIRM WITH LONG AND SUCCESSFUL manufacturing and selling experience is in a position to add a new line capable of national and export development. Will invest in or buy outright; preferably in old established business of high repute where owners are thinking of retiring. Address in confidence. Box 222, The Financial Post.

Representative Wanted

A MANUFACTURER IN SCOTLAND of high-grade Harris Tweeds desires to secure reliable representative to handle his product for the Canadian market. Box 230, The Financial Post, Toronto.

Meetings Reported

BE QUOTED correctly! At every gathering where it is desirable to record accurately all that has been said, let Stenotype Service take the responsibility. Mechanical shorthand is employed to ensure speedy, trustworthy verbatim reports. Conventions, club gatherings, boards of directors, political associations, etc., etc., can employ this service at all meetings with assurance of satisfaction. Fees are moderate. For further information write The Stenotype Reporting Bureau, 481 University Ave., Toronto.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, 31st January, 1934, at twelve o'clock noon.

By Order of the Board.

DUDLEY DAWSON, General Manager.

Toronto, 14th December, 1933.

THE Teck-Hughes Gold Mines LIMITED

(No Personal Liability)

KIRKLAND LAKE, ONT., CANADA

The Directors of this Company have declared a dividend of 15c per share, payable on February 1st, 1934, to shareholders of record at the close of business January 10th, 1934.

K. P. EMMONS, Treasurer.

Canadian Dredge & Dock Co. Limited

Preferred Dividend No. 24

Notice is hereby given that the quarterly dividend of one and three-quarter per cent (1¾%), being at the rate of 7% per annum, has been declared on the outstanding 7% Cumulative Sinking Fund Convertible Preferred Shares of Canadian Dredge & Dock Co. Limited, for the quarter ending January 31st, 1934, payable February 1st, 1934, to Shareholders of record at the close of business on January 17th, 1934.

By Order of the Board.

T. C. LUKE, Secretary.

Midland, Ontario, January 5th, 1934.

Canadian Dredge & Dock Co. Limited

Common Stock Dividend No. 15

Notice is hereby given that a dividend of Fifty Cents (50c) per share has been declared on the Common Stock of Canadian Dredge & Dock Co. Limited, for the period ending January 31st, 1934, payable February 1st, 1934, to Shareholders of record at the close of business on January 17th, 1934.

By Order of the Board.

T. C. LUKE, Secretary.

Midland, Ontario, January 5th, 1934.

Montreal Tramways Company

DIVIDEND NOTICE

Notice is hereby given that a dividend of TWO DOLLARS AND TWENTY-FIVE CENTS ($2.25) per share, for the quarter ending December 31st, 1933, has been declared upon the paid in Capital Stock of the Company, to Shareholders of record on Saturday, the 6th day of January, 1934, at 12 o'clock noon, payable on Monday, the 15th day of January, 1934.

By order of the Board,

PATRICK DUBEE, Secretary-Treasurer.

December 18th, 1933.

BANK STOCKS LEAD MARKETS IN JANUARY

Gain Up to 35 Points in Comparatively Heavy Trading

BREAKS TREND

Prices Have Declined For Five Months to Threaten Lows of Last April

Prices of listed bank stocks have moved sharply upward since January 2, after declining steadily for some five months until prices late in December threatened the low levels prevailing last April. The sudden change in the market has resulted in gains over the December lows which have run as high as 35 points in the case of the Dominion Bank stock, 30 points on Bank of Montreal stock; 28 points on Canadian Bank of Commerce stock; 25½ points on Royal Bank shares; 23 points on Imperial and Bank of Toronto shares. Relatively stable, Bank of Nova Scotia stock has risen but 8 points and that of the Banque Canadienne Nationale but two points.

Reason for the sudden surge upward in prices is not clear. Buying from London, Eng., is given credit by some brokers while others feel that the buying is largely domestic. It is pointed out that a large volume of orders is not necessary to send prices higher. The market for bank stocks is narrow and prices therefor tend to fluctuate widely given even slight pressure on either the buying or the selling side. Volume of trading, however, has been heavier with a total of 3,153 bank shares changing hands in the first six trading sessions in January as compared with 4,316 shares going through in the 25 trading sessions in December and 5,859 shares traded in November. These figures may include some "wash sales" as shareholders in the United States could sell to establish losses in December and buy back their share in January.

Decline Was Severe

The majority of Canadian bank stocks reached their peak market value for 1933 during July. Prices showed some tendency to firmness in August and September at a point well under the July peak but in the last three months of 1933 there was a decided downward trend. This movement is partially attributed to the effect of the report of the Royal Commission on Banking and Currency headed by Lord Macmillan which recommended the formation of a central bank in Canada and the gradual withdrawal from the commercial banks of their right of note issue. Selling of bank shares was also attributed to investors anticipating decline in bank earnings which would be shown in the annual statements appearing in November and December.

The result of this decline in the prices of bank stocks is shown in the following table:

Price Range on Listed Bank Stocks

Bank	1933 *High	1933 †Low	December 1933 High	December 1933 ‡Low	Close Jan. 9
Commerce	176	119	136	126	151½
Dominion	175	124	140	132	167
Imperial	185	123	145	140½	163
Montreal	221	150	171	162½	190
Nationale	155	127	145	138	140
Nova Scotia	285	228	273	267	275
Royal	183	123	135	127½	153
Toronto	215	151	165	157	178

*All highs were made during July with the exception of the high for the Banque Canadienne Nationale made in August, and that of the Bank of Nova Scotia made in September.

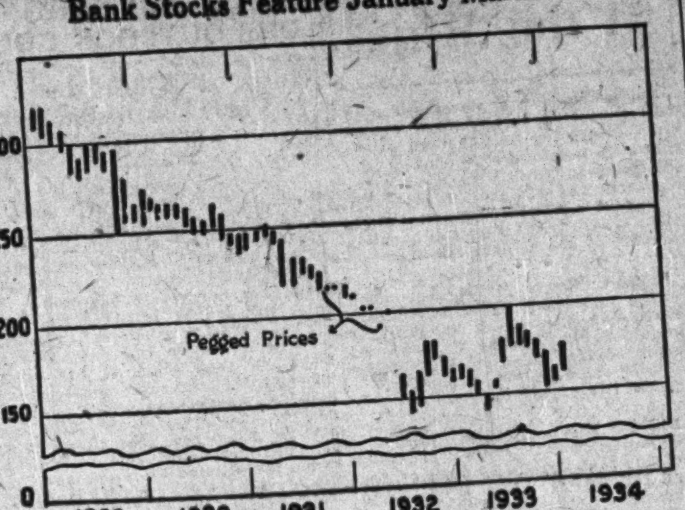
†All low points were made during April.

‡Closing prices at December 30 were approximately at the low point for the month except in the case of the Imperial Bank and the Bank of Toronto.

In most cases the annual statements of the banks have shown the expected drop in earnings but this has been more than offset by the reduction in the rate of dividends paid during the year so that surplus has actually been increased. Stock market observers can see no change that would warrant such immediate buying of bank stocks but feel that some corrective action in the market might be warranted since bank stocks in general were selling to yield higher than normal returns during December and were possibly out of line with actual values.

Trading has been heaviest in stocks of the Royal Bank and the Canadian Bank of Commerce during the first six trading sessions in January but this could be expected since these banks with the Bank of Montreal have the greatest number of shares outstanding and normally have a larger volume of shares going through the exchanges. Comparison of the volume of shares traded in January with the volume traded throughout December shows that sales of Royal Bank shares in January amount to 73 per cent of December volume. The Bank of Nova Scotia is the next highest with a ratio of 67 per cent while the Canadian Bank of Commerce, the Bank of Toronto and the Dominion Bank have a ratio of over 50 per cent. The Banque Canadienne Nationale, Bank of Montreal and Imperial Bank all have ratios of under 40 per cent.

Bank Stocks Feature January Markets



Movement of bank stock prices in January has offset the decline of the last three months in 1932. The chart shows the monthly average high and low price of the eight listed Canadian bank stocks since 1929.

Canada Retains Dominance

Canada took 32 championships and 69 blue ribbons at the 34th International Livestock Exposition and Hay and Grain Show in Chicago, including the coveted wheat crown which was won by Frank Isaakson of Elfros, Sask.

DIVIDEND NOTICES

DIVIDEND NO. 249 Hollinger Consolidated Gold Mines Limited

A regular dividend of 1% has been declared on the Capital Stock of the Company, payable on the 29th day of January, 1934, on which date cheques will be mailed to shareholders of record at the close of business on the 12th day of January, 1934.

Dated the 5th day of January, 1934.

I. McIVOR, Assistant-Treasurer.

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of January, 1934.

On the Preferred Stock, one and one-half per cent. (1½%), payable on the 1st day of February to Shareholders of record of the 22nd day of January, 1934.

On the Common Stock, Seventy-five Cents (75c.) per share, payable on the 15th day of February to Shareholders of record of the 5th day of February, 1934.

By Order of the Board.

C. B. ROBINSON, Secretary-Treasurer.

Montreal, December 28, 1933.

Mining Stock Quotations

Week Ending January 8.

Par Val.	Range 1933-34 High	Range 1933-34 Low	Company	Sales	Close Jan. 1 (or last)	High for week	Low for week	Close Jan. 8
1	.02½	.00½	Aconda	3,800	.01½	.01½	.01	.01½
No	.30	.03	Aldermac	1,000	.16	.15	.15	.15
1	.03½	.01	Alexandria	848,420	.02½	.05½	.02½	.04½
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Par Val.	Range 1933-34 High	Range 1933-34 Low	Company	Sales	Close Jan. 1 (or last)	High for week	Low for week	Close Jan. 8
No	.45	.11	Merland	19,700	.31	.38	.32	.37
1	.01½	.01	Mid West	.....	.01½	.....	.....	.....
1	.26	.25	Midwal Oil	1,500	.....	.26	.25	.26
No	.35	.09	Mill City Pete	800	.15	.16	.15	.16
[illegible]	[illegible]	[illegible]	Model	8,300	.27	.25	.23	.25
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

VANCOUVER STOCK EXCHANGE (Transaction for Week to January 3.)

Par Val.	Range 1933-34 High	Range 1933-34 Low	Company	Sales	Close Dec. 26 (or last)	High for week	Low for week	Close Jan. 3
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OIL STOCKS

Par Val.	Range 1933-34 High	Range 1933-34 Low	Company	Sales	Close Jan. 1 (or last)	High for week	Low for week	Close Jan. 8
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DIVIDEND PAYERS

Company	Rate	Yield %
[illegible]	[illegible]	[illegible]
McLeod Oils‡	5c.	.....
Mercury Oils	4c.	.....
Merland Oils‡	5c.	.....
Model Oils	3c.	.....
Noranda‡	$1	.....
Petrol Oil‡	1c.	.....
Premier	12c.	11.21
Pioneer, B.C.	60c.	5
Royalite	$1	.....
Siscoe	12+2c.	9.72
Sterling Pacific Oil‡	3c.	.....
Sunshine Min.	5+7c.	.....
Sylvanite	4+3½c.	.....
Teck-Hughes	60c.	10
Wright-Har	20c.+10c.	4.38

Interim ‡Initial. *Paid in 1932.

Listed Bond Quotations

Week Ending January 8, 1934

	Int. Rate	Due	Yield	Latest Bid	High	Low	Range 1933-34 High	Range 1933-34 Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

GYPSUM, LIME BETTER STATUS FOR PAST YEAR

Earnings Improved But Not Sufficient to Cover Bond Interest

From Our Own Correspondent

MONTREAL. — General overhauling of the balance sheet, reduction in liabilities and marked improvement in earning power, are features of the annual report of Gypsum, Lime and Alabastine (Canada) for the 11 months ended November 30, 1933.

Despite the fact that sales volume was adversely affected during the past year, the company was able to improve its earning power through a sharp reduction in operating costs. As the company has changed its year-end to November 30, the report for 1933 covers only 11 months. In that period however, operating income totalled $306,602 compared with $96,453 in the previous 12 months.

The company was able to earn its interest charges during the period before providing for depreciation. After taking care of this and other charges, there was a deficit for the 11 months of $111,319, or not quite one-third of what it was in 1932.

Cut Down Deficit

Particulars of the income account for the two periods follow:

	1933 (11 mos.)	1932 (12 mos.)
Net profit	$306,602	$96,453
Loss:		
Dep. & deplet.	172,036	25,173
Losses on sub.	6,385	39,691
Int. charges	232,743	258,390
Invest. writ. down	6,757	......
Bad debts & exch. res.	......	68,769
	111,319	295,570
Deficit		
Add: Surplus adjust.	39,399	......
	150,718	295,570
Deficit		
Brought forward	*237,635	57,935
Deficit forward	388,353	237,635

*Deficit.

Show Fewer Liabilities

Several interesting changes are noted in the balance as drawn up on November 30, 1933, in comparison with that at the end of December, 1932. Bank loans have been reduced from $232,269 to $106,207. In this year's accounts, however, there is a special loan of $52,070 in connection with English developments outlined later.

Funded debt is lower at $4,158,000 compared with $4,190,373 in the previous year Bond sinking fund payment due at the beginning of last March was not paid owing to the necessity of preserving working capital.

Mortgages payable have been reduced $13,400 to $41,800, while current liabilities do not show any marked changes.

Among assets the principal change among current items is a reduction in inventories from $567,956 to $395,656.

A trustee account re employees' stock, amounting to $226,417 in the 1932 report, has been wiped out.

Fixed assets are slightly lower at $9,701,181.

Stake in England

In connection with the profitable business which the company has built up over a number of years, Gypsum, Lime deemed it advisable to erect a plant in England. A new company — Gyproc Products Ltd. — has been formed, with its head office in London, England, capitalized at £100,000, of which £60,000 is to be issued. Messrs. Honeywill & Stein Co., a subsidiary of Distillers Corp., Ltd., of Edinburgh, Scotland, have subscribed £36,000 and Gypsum £24,000. Gypsum receives shares to the value of £6,250 for patent rights and trade marks, and is financing the balance of its subscription for cash by means of a long term loan. The agreement is that Gypsum is to supervise manufacturing operations and for these services will receive a yearly management fee of £1,500 free of income tax. No profits from this transaction have been included in the 1933 accounts.

INTERNAT. PAINTS INCOME REFLECTS TRADE CONDITIONS

Loss Reported in Year Ended September 30 — Acquire Property

From Our Own Correspondent

MONTREAL.—Conditions in the paint trade of Canada last year were not conducive to profitable operations as shown in the consolidated income statement of International Paints (Canada), for the year ended September 30, 1933, an operating deficit of $2,031 being recorded compared with a profit of $5,909 in the previous twelve months.

The report for the past year appears in new form, comprising a consolidated statement of the company and its wholly-owned subsidiaries, Stewart and Wood, for the entire year and A. Ramsay & Son Co, for the period from September 6 to 30.

Outlook is Better

Though the past year was not an especially favorable one J. W. Stewart, president, tells the shareholders in the report that the outlook is better than a year ago. The acquisition of Ramsay has given the company a broader line of products, while arrangements are under way to concentrate all activities in one plant.

Particulars of the income account for the past two years follow:

Years Ended September 30	1933	1932
Net earnings	*$2,031	$5,909
Less: Deprec.	27,304	*26,036
Net profit	29,335	*20,127
Add: Prev. surp.	**39,016	58,719
Less: Addit. inc. tax	......	402
Add: Surp. not needed	3,541	......
Carried forward	13,221	38,190

*Deficit.
**Adjusted on consolidation.

Hold Liquid Position

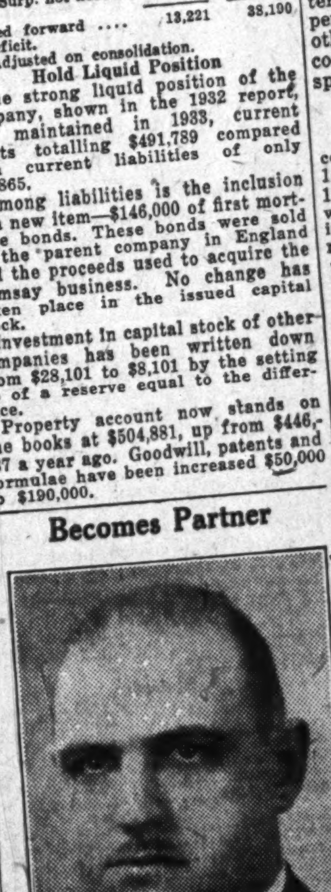
The strong liquid position of the company, shown in the 1932 report, was maintained in 1933, current assets totalling $491,789 compared with current liabilities of only $39,865.

Among liabilities is the inclusion of a new item—$146,000 of first mortgage bonds. These bonds were sold to the parent company in England and the proceeds used to acquire the Ramsay business. No change has taken place in the issued capital stock.

Investment in capital stock of other companies has been written down from $28,101 to $8,101 by the setting up of a reserve equal to the difference.

Property account now stands on the books at $504,881, up from $446,487 a year ago. Goodwill, patents and formulae have been increased $50,000 to $190,000.

Becomes Partner



A. L. A. RICHARDSON

Recently admitted to partnership in Dickson, Jolliffe & Co., members of the Toronto Stock Exchange. Mr. Richardson, who has been associated with the firm for the past nine years, is an honor graduate of Commerce and Finance at the University of Toronto, and has lectured on economics for the University Extension Department for the past three years.

PREMIER TRUST HAS MADE OFFER TO BUY IMPERIAL

Would Increase Assets to Over $10,000,000—Meeting on Feb. 21

Offer to purchase practically all assets has been made by Premier Trust Co. to shareholders of the Imperial Trusts Co. and will be decided at meetings of shareholders to be held on February 21. The offer provides for the payment of $42,000 5 per cent five-year guaranteed investment receipts and 1,100 shares of fully paid $100 par value shares of Premier Trust Co. for all assets and liabilities of Imperial Trusts Co. except shares of Colonial Investment & Loan Co. Given the sanction of shareholders the sale will take effect as at December 31, 1933, and Imperial Trusts Co. shareholders will receive one share of Premier Trust stock for each 2½ shares of fully paid Imperial stock or approximately one share of Premier stock for each four shares of partly paid Imperial stock.

With the sale of its assets the Imperial Trusts Co. will lose its identity after nearly 47 years of operation. The business will be carried on under the name of the Premier Trust Co. which was incorporated in 1913 with a federal charter. Present offices in Toronto, London and St. Catharines, Ont., will all be retained. Combined assets of the two companies will exceed $10,000,000 of which over $7,000,000 represents assets of Imperial Trusts Co.

Enlarge Directorate

It is the intention to retain the present directorate of both companies and also to make several new appointments. Thomas B. Holmes, present manager and director of Premier Trust Co. will continue to direct the activities of the company and it is probable that Hon. W. D. Ross, president of Imperial Trusts Co., will become president of Premier Trust Co.

Present directors of Imperial Trusts Co. are Hon. W. D. Ross, president, N. L. Nathanson, A. W. Marquis, K.C., and Hon. George Lynch-Staunton. Directors of Premier Trust Co. are: James Gray, president; Wm. Heaman, John Dearness, LL.D.; A. W. Peene, J. W. Westervelt and Thomas B. Holmes.

Premier Trust Co. started business in 1916 and has had a continuous record of dividend payments since that time. Originally head office of the company was in London and control rested with the Peoples Loan & Savings Corp., but in 1931 control was purchased by a Toronto group, following the defalcations of an employee which affected the position of People's Loan, but which did not affect the Premier Trust Co. The latter company showed a good liquid position in the past annual statement. At December 30, 1932, Premier Trust Co. assets totalled $2,472,772 included in which was $1,906,149 of estates, trusts and agency funds. Trust deposits amounted to $36,364 and guaranted investment certificates to $189,736. There has been some increase in these figures during 1933. Subscribed capital at the end of 1932 was $418,300 of which $198,400 was issued and fully paid and $101,663 was partly paid.

Imperial Has 20 Shareholders

Imperial Trusts Co. has only some 20 shareholders and annual statements have not been made public since control of the company was acquired by the Hon. W. D. Ross and N. L. Nathanson in 1928. At the end of 1932 the company had total assets of $7,059,515 of which $6,112,941 was in estates, trusts and agency funds. This has been increased by some $2,000,000 during 1933. The company had $199,382 of investment receipts outstanding and $400,886 of trust deposits which have shown little change. Subscribed capital was $400,000 on which $248,650 was paid up. In 1932 the company earned slightly under 2 per cent on paid up capital in contrast to 6.3 per cent earned by Premier Trust Co. Death of A. C. McMaster, K.C., former president of Imperial Trusts Co. and the desire of other directors to be relieved of company business are partially responsible for sale of the company.

B. C. Coal Output Up

British Columbia's production of coal in October showed an increase of 14.7 per cent over that of October, 1932, being 140,477 tons as compared with 122,428 in October, 1932, according to a report of the Dominion Bureau of Statistics.

Northwestern Power Meeting Again Adjourned

From Our Own Correspondent

MONTREAL. — The meeting of Northwestern Power bondholders was informed that a plan of reorganization would shortly be considered by the various committees covering the securities of the entire Winnipeg Electric system. On that account the meeting was again adjourned until March 5.

B. C. Lumber Exports Grow

Apple shipments over the rails of the Dominion Atlantic Railway to date, this season, total 4,998 carloads an increase of 3,223 cars compared with the same period last year.

John D. Gilmour, B.Sc.A., B.Sc.F., (Toronto)
CONSULTING FOREST ENGINEER
MEMBER OF COUNCIL, WOODLANDS SECTION, C. P. & P. A.
MEMBER OF EXECUTIVE, PACIFIC LOGGING CONGRESS
Timberland valuations. Development of new properties. Logging cost estimates. Logging engineering problems. Recommendations to improve accessibility of timberlands.
Seventeen years in full charge of organization and management of pulpwood logging operations.
QUEBEC, QUE.

FAIRBANKS AUTOMATIC OIL BURNER
MADE ENTIRELY IN CANADA
THE CANADIAN FAIRBANKS-MORSE COMPANY LIMITED
Montreal, Toronto and Branches

TOOLE, PEET & CO.
LIMITED
FINANCIAL AGENTS
Appraisers and Valuers
Estates Managed
CALGARY CANADA

WHEN REMITTING SEND CANADIAN NATIONAL EXPRESS MONEY ORDERS

NEW RUBBER BELTING
all sizes up to 24" and used Leather Belting at Special Sale prices. Rubber Hose for Steam, Water, Suction. Wood Split Pulleys. Ball Bearings, Hangers, Shafting and machinery of all kinds.
Write for Price List.
N. SMITH BELTING WORKS
138 York St., Toronto.

Canadian Pacific Express Travellers Cheques Are World Currency
Carry them on your next trip and be assured of travel comfort.
Get them from any agent of the Canadian Pacific & most Banks

Investors' Chronicle
6d Established 1860 6d
Has the Largest Net Sales of any Weekly Financial Newspaper in Great Britain
OVERSEAS FINANCE
Special Correspondents in all Financial Centres
A free specimen copy will be forwarded on post-card application to:—
THE PUBLISHER, INVESTORS' CHRONICLE, 20, BISHOPSGATE, LONDON, E.C. 2, ENG.

Established in 1920 By the late J. P. Langley, F.C.A.
J. P. LANGLEY & CO.
C. P. ROBERTS, C.A.
Chartered Accountants
G. S. HOLMESTED
Licensed Trustee in Bankruptcy.
Liquidator, Receiver, etc.
Offices
McKINNON BUILDING TORONTO
Elgin 5305-6

GENERAL TRUST OF CANADA
Complete Trust Service
112 ST. JAMES ST., WEST MONTREAL

DUN & BRADSTREET OF CANADA LTD.
THE MERCANTILE AGENCY
Successors to
R. G. Dun & Co. — Established in Canada 1856
The Bradstreet Co. — Established in Canada 1872
CREDIT RATING BOOKS — FINANCIAL REPORTS
16 Offices in the Dominion

MILLAR, MACDONALD & CO.
CHARTERED ACCOUNTANTS
WINNIPEG MANITOBA

WILTON C. EDDIS & SONS
Established 1895
CHARTERED ACCOUNTANTS
Federal Building, Toronto

CLARKSON, GORDON, DILWORTH, GUILFOYLE & NASH
TORONTO OTTAWA WINDSOR
CLARKSON, McDONALD, CURRIE & COMPANY
MONTREAL and QUEBEC
Chartered Accountants
E. R. C. CLARKSON & SONS
Authorized Trustees and Receivers
15 WELLINGTON STREET WEST TORONTO

Canadian Mining News

NEWMONT TO HELP FINANCE TREASURY OF BRADIAN MINES

Well-Financed and Aggressive Exploration Policy Assured

From Our Own Correspondent

VANCOUVER.—Shareholders of Bralorne have formally ratified the proposal of the directors for division of the property and creation of a new corporaion to be known as Bradian. In the new company the Newmont Co. of New York will become associates of Bralorne and will have the option on a certain block of stock. All details of the new deal were ratified unanimously at a meeting of shareholders here January 4.

As the meeting was in the nature of a special session, a general statement of Bralorne affairs was not made, but Austin Taylor, president, announced that a dividend to shareholders would soon be declared. He said a definite announcement on this point would be made within six weeks.

Bralorne Looking Better

Mr. Taylor said that Bralorne had responded remarkably well to development this year, and that at several points the vein had been found to be sixty-five feet wide. All ore was being handled as it came and no attempt had been made to keep up the mill-heads. The present capacity of the mill is 250 tons daily and this could be increased to 300 tons with little expense.

Bralorne's workings were at the west side of the property. The area being created into a new company was on the east side, lying in between Bralorne and Pioneer.

The plan, as approved by the directors of Bralorne, proposes that a new company, Bradian Mines, be formed with capital stock of $2,000,000 in $1 par shares. Under the terms of the agreement, Bralorne will transfer to the new company 21 crown-granted mining claims, including surface rights of two of them, and five other mineral claims. In consideration for the properties Bralorne is to receive 1,199,993 fully paid shares of the new company.

Rights Given

The new company is to give to recorded owners of shares of Bralorne at the close of business, Jan. 24, the right to subscribe at par for two shares of the new company for each five shares of Bralorne held. This agreement provides for the issue, as soon after Jan. 24 as is practicable, of transferable subscription warrants which must be exercised not later than March 12. These warrants will confer rights to subscribe for 400,000 shares at $1 each.

Under the terms of the second agreement the Bralco Development & Investment, and Newmont Mining Corp. will underwrite 25 per cent and 75 per cent respectively of the said 400,000 shares at $1 each. The purpose of this underwriting is to ensure that the new company will receive either by way of subscriptions from Bralorne shareholders or from the underwriters the sum of $400,000 cash with which to begin its operations. In return for such underwriting the new company will give to Bralco and the Newmont Corp. in the same proportion of 25 per cent and 75 per cent, the option of subscribing for an additional 200,000 shares at $1.25 per share up to Aug. 1, 1935.

Work on Bradian would be started just as soon as weather conditions at Bridge River made it possible. That would be in perhaps two or three months. A contract had been let recently for the B. C. Electric to run an extension power line from Bralorne into Bradian to provide the power for development.

The Bralorne directorate would be the directorate also of Bradian, with the addition of I. B. Joralemon and Fred Searles of the Newmont Corporation.

PIONEER OUTPUT INDICATES PROFIT OF $1 PER SHARE

New Ore at Depth Gives Hope For Future Operations

The value of the gold production by Pioneer Gold Mines of B.C., in the last nine months of 1933, was close to a rate of $2,500,000 per year as compared with $1,273,268 in 1932.

Production in the last quarter of 1933 was valued at approximately $646,700, the greatest of any quarterly period in 1933. Operating expenses in the quarter were $200,700, indicating an operating profit of $446,000 from which taxes, depreciation and other reserves must be deducted.

Pioneer's production in 1933 was the greatest of any gold mine in the province, greater even than that of the Pioneer itself in any year since 1928. The steady advance of Pioneer since it started production in 1929 to become the outstanding producer in the province has been one of the brightest spots in British Columbia gold mining in recent years. Under the active management of David Sloan, M.E., as managing director, and Col. Victor Spencer, as president, since production was put on a commercial basis, five years ago it has been a steadily ascending star. Investors have participated in a price advance from 90 cents in 1930 to a high of $16.25 in June of this year.

Gross Earning Near $1

No statement of earnings has been published during the year, but with an estimated production of approximately 100,000 tons of ore treated and costs the same as in the last fiscal year, indications are that the current earnings of the company are close to $1 per share before depreciation and depletion, which in the last fiscal year amounted to about 17 cents per share.

At the present time the company has under development on the No. 5 level to the east, an ore shoot over 400 ft. in length, three ft. in width, which is reported to average $115 per ton in gold. On the 14th level to the west, the deepest working of the mine, other high grade ore is reported by Mr. Sloan. With the discovery of high grade ore on the bottom level officials are optimistic as to the possible extension as greater depth is reached.

International Nickel's Profit Near 53c. Share In Golden Jubilee Year

Dividends Imminent With Earnings in 4th Quarter About 25 Cents

PEACE TIME METAL

Industrial and Domestic Use Shows Rapid Increase—Europe on Par With U. S.

By Staff Editor

NEW YORK.—The International Nickel Co. of Canada, Canada's premier mining enterprise, in point of age and value of production, in 1933, the golden jubilee of the Sudbury nickel discovery, resumed its crown as Canada's premier mining operation in point of earnings. While official figures are not yet available, indications point to the net profit of the company being close to $9,770,000 for the fiscal year ended December 31, last, or the equivalent of 53 cents each on the common shares outstanding. This compares with a loss of $135,345 for 1932 and a net profit of $1.47 per share in 1929, the most prosperous year in the company's history.

The Financial Post estimates the net profit per common share in the fourth quarter, ended December 31, last, at 25 cents per share as compared with 22½ cents in the third quarter, 10 cents in the second quarter and a loss in the first quarter of 1933.

Production Increasing

Production figures are not yet available for the last quarter of 1933, but the rapid recuperative powers of the company that are reflected in earnings, are told by the production summary and export figures available.

The tonnage of ore smelted and nickel content of the matte made in the third quarter of 1933, ended September 30, is almost double that for the first six months of 1933. The following tabulation gives production summary for the six months ended June 30 as compared with the nine months ended September 30:

Production in Tons

	6 mos. ended June 30 1933	9 mos. ended Sept. 30 1933
Ore smelted	237,091	787,546
Matte produced	15,394	44,650
Nickel content of matte	6,468	18,852
Copper cont. of matte	5,982	14,643

Sales Rise Rapid

The increased tempo of consumption is reflected in increased production and in the first nine months of 1933 nickel sales in the United States advanced 108 per cent over the entire 1932 sales. More important is the fact that this demand for nickel is in its entirety a peace-time industrial and domestic demand reflecting the greatly diversified applications for the metal and its alloys and that this in the aggregate is swiftly increasing nickel sales, which give evidence of shortly outstripping the 1929 record demand for the metal.

That the industrial demand for the metal in Europe is almost on a par with that of the United States, is shown by the fact that the sales in Europe in the first nine months of 1933 were 106 per cent in advance of the total 1932 figure.

The following tabulation gives the value of the export of the metal for 11 months of 1933:

Nickel Exports

1933	Value
January	$796,000
February	747,000
March	1,126,000
April	723,000
May	2,018,000
June	3,055,000
July	3,035,000
August	2,015,000
September	2,627,000
October	2,435,000
November	2,433,000

Dividends Imminent

So satisfactory has been the demand for the company's products and its earnings position, that shareholders are now turning attention to dividend prospects. That confidence in dividends being restored is not misplaced is told by the liquid position of the company. Current assets on September 30, 1933, totalled $36,617,885, including $12,313,906 in cash with a net working capital of $32,421,128 The 1933 year-end will doubtless see the liquid position of the company increased to near $40,000,000 with the net working capital increased to approximately $37,000,000, the most favorable position on record, so far as working capital is concerned. At the end of 1929 the working capital of the company was shown at $32,231,838. The current assets at that time were shown at $42,738,000 but the liabilities were also higher, reducing the working capital far below the company's present position. The inventories at that time were about on a par with the present inventory of between $17,000,000 and $18,000,000.

With the present favorable demand for nickel continuing and with the earnings and liquid position so satisfactory, it becomes evident that common dividends are not far away.

Coinage in 27 Countries

While the industrial and domestic demands for nickel have accounted for the greater part of the increased consumption, there has been an increasing disposition on the part of nations of the world to use nickel for small coinage. Today no less than 27 countries are using nickel coinage and approximately 3,000,000,000 coins have been struck. Switzerland was the first to strike nickel coins in 1881, two years before the Sudbury deposits were discovered. Prominent users of nickel coins are South Africa, Finland, Greece, Tasmania, Burma, Russia, Sweden, New Caledonia and the most recent, Iraq.

Minto Gold Mines Getting Ready to Mill

VICTORIA.—Over 60 tons of ore a day are being drawn from development work only and are being placed on the dump for milling later at the Minto Gold Mines, according to a statement issued here by A. W. Davidson, president of the company.

The ore according to assays averages about $16.50.

C.I.M.M. Convention At Quebec City in 1934

Calculated to bring together once again mining men from every part of the Dominion as well as prominent mining engineers and delegates of affiliated associations abroad, the 35th annual general meeting of the Canadian Institute of Mining & Metallurgy has been scheduled for April 3, 4 and 5 in 1934 at Quebec City. Convention headquarters will be the Chateau Frontenac.

SISCOE'S OUTPUT $1,134,388 IN 1933 PREMIUM $437,000

Net Profits Near 15 Cents Per Share — Deeper Work Planned

Siscoe Gold Mines has just closed the most successful year in its five years history of pioneering the Northwestern Quebec gold area. Official production figures for December make the last quarter the best in the year and bring the total production for 1933 to $1,134,388 exclusive of exchange compensation, which will add approximately $437,000 to the value of the production based on the average price of $28.61 for gold prevailing in 1933.

The following tabulation gives comparative quarterly figures for 1933 and the total for the year compared with 1932.

Quarter ended 1933	Tons treated	Rec. per ton	Bullion recov.*
Dec. 31	28,482	$11.07	$310,842
Sept. 30	28,173	10.51	296,068
June 30	24,668	10.91	271,410
Mar. 31	15,045	17.02	256,068
All 1933	96,368	11.77	1,134,388
1932	63,998	15.62	1,006,297

*Exclusive of exchange compensation.

Earns 15 Cents Per Share

Notwithstanding the lower grade of ore treated, due to the greater production facilities and the higher price for gold, the increase over 1932 was approximately 10 per cent. During the year the milling capacity was stepped up to an average of 310 tons in the last quarter of 1933 as compared with an average of 175 tons in 1932.

Although no official statement of earnings has been made, The Financial Post estimates that the 1933 net profit, after all write-offs and reserves, was approximately 15 cents per share as compared with dividend requirements of 14 cents per share. This estimate is based on the costs prevailing in 1932 and the estimated value of the production in 1933.

The company closed its fiscal year in the best position that it has yet enjoyed. Its cash position is higher and mineways developments are said to be of a most satisfactory nature. The main shaft is to be deepened early this year from the present 975 ft. horizon to 1,350 ft., and officials of the company look forward to 1934 being the best year in its history providing gold prices are maintained. Before the end of 1934 it is expected that the mine will be completely converted to electric power supplied by the Northern Quebec Power Co., as work is presently under way extending its transmission line eastward from Noranda.

CON. SMELTERS OUTPUT STEADY VALUE HIGHER

But Little Change in Production Rate Due to Cartels

Increased production of its three leading metals products—lead, zinc, and silver—is reported by Consolidated Mining & Smelting Co. for the fiscal year ended December 31, 1933. While there is no big advance in lead and zinc, its two principal base metals, due to selling cartels in force, the increased value of these metals, with the associated silver content, is expected to make a decided improvement in the income of the company.

A definite improvement in the price of copper, lead and zinc was reported in 1933 and a substantial increase in the price of silver. This, together with lower operating costs is expected to create an operating surplus of approximately $1,000,000 as compared with an operating loss of $827,424 in 1932.

The following tabulation gives comparative production figures for 1933 and 1932:

Production

	1933	1932
	4th qu.	4th qu.
Lead, tons	35,563	34,558
Zinc, tons	22,031	15,157
Copper, tons	271	383
Gold, ounces	5,013	8,905
Silver, ounces	1,315,937	1,308,000
	12 mos.	12 mos.
Lead, tons	127,320	126,619
Zinc, tons	68,074	65,284
Copper, tons	271	383
Gold, ounces	22,393	33,346
Silver, ounces	5,551,330	5,52,366

Thurlow and Sonora Claims In a New Consolidation

From Our Own Correspondent

VICTORIA. — Sonora Gold Mines Ltd. and Thurlow Gold Mines Ltd. properties have been taken over by the Federal Gold Mines Ltd., it is announced by C. P. Riel, managing director of the latter company.

The properties are situated on Thurlow and Sonora Islands about 125 miles up the coast from Vancouver and are in the same region as the Alexandria, recently taken over by the Premier Gold Mining Co., the Dorothy Morton and the Enid Julie properties.

E. H. Lovitt, consulting engineer for the Federal Company, was sent to the properties a few days ago to make arrangements to commence active development on both mines at once.

ARNTFIELD READY FOR QUICK TEST ORE POSSIBILITIES

Shaft Sinking Completed and Drifting Starts With High Hope

After several months' work centred principally on shaft sinking, Arntfield Gold Mines has completed this phase of its development and work in the next few months should rapidly determine the property's mine-making possibilities and enable decision to be made on the size of mill to be installed.

The No. 2 shaft, which had previously been sunk on an incline about 300 ft., has been deepened to 575 ft. and within a week drifting will start on the 500 ft. level. From the 250 ft. level, the lowest on which lateral work has been done, diamond drilling undertaken some time ago, disclosed ore at a depth of 350 and 450 ft. This ore is now to be explored by drifting on the 500 ft. level in the hope that it will again be picked up and, if so, the ore reserves are expected to be doubled by the new work. Over 2,500 ft. of lateral work has been done on the 250 ft. level, revealing several commercial ore shoots. Only a small part of the property has been explored underground. Surface work, trenching and test-pitting have shown a main mineralized zone from 100 to 200 ft. wide for a length of approximately 9,000 ft. across the company's property. Lenses of gold ore occur in this zone up to as high as 30 ft. in width.

The No. 3 shaft, 2,000 ft. east of the No. 2, which was started in midsummer, has been completed to a depth of 280 ft., and crosscutting is now under way on the 250 ft. level to intersect the main vein. Work in this area is presently confined to two shifts daily and an advance of about 20 ft. daily is being made in the crosscut.

New Assay Plant

A new assay plant has just been completed at the property and will have the unusual feature of being able to crush from two to three tons of ore samples daily. With this bulk-crushing much more representative assaying should result as officials have found that grab samples and channel samples do not give as satisfactory or as representative results as does bulk-sampling.

The company's property, which comprises some 1,867 acres in Boischatel township, Quebec, is about 14 miles west of the Noranda smelter. Both shafts are completely electrified with power supplied from the Northern Quebec Power Co.

Salmo-Malartic Nelson Property Gets Further Try

Arntfield Mining Synd. of Toronto has undertaken to provide finances and become interested in the property of Salmo-Malartic Mines in the Nelson mining division of British Columbia, The Financial Post is officially informed.

Salmo-Malartic owns 11 claims, approximately 400 acres, known as the Aspen lead-zinc-silver-gold group in the Sheep Creek area, near Nelson, B.C. A few years ago a radiore survey was made a part of this property and diamond drilling done. The lower tunnel was extended to intersect the ore body, but operations were suspended the latter part of 1929 owing to the lack of funds.

Recently Dr. H. C. Boydell, consulting geologist, examined the property and found that whereas the vein matter assays were not encouraging, the wallrock gave spectacular values and apparently the development work had been paralleling the real ore.

As a result of Dr. Boydell's investigation the Arntfield Mining Syndicate, which employs Dr. Boydell as consulting engineer and geologist, has undertaken to provide the funds to carry out more extensive programmes.

Premier Gold Buys Property On Gold Coast

Premier Gold Mining Co. has again extended its mining activities, according to official advice from H. A. Guess, vice-president of the company.

The most recent acquisition is a 49 per cent interest in the Tarkwa Gold Areas, Ltd., in West Africa, which has been acquired by the American Smelting & Refining Co., controlling Premier Gold Mining Co.

The property includes extensive holdings along the Main Blanket Reef, the joint production from which in the past has been more than $25,000,000. The Taquah property is still under water, but the Abdontiakoon has been in operation in recent years and is taken over as an operating concern, handling approximately 6,000 tons monthly.

The purchase price of the property is stated to be approximately $680,000 in U.S. funds, purchased when the pound sterling was at a low point.

Profits since the first of May last year are stated to be slightly over £6,000 monthly, after payment of 15 per cent royalty on the gold premium and a five per cent profit tax to the Gold Coast Government. Expansion programme is under way which calls for the mill to be treating 10,000 tons monthly early this year.

Horwood Lake Area Scene of Gold Rush

Between 200 and 300 claims are reported staked as the result of a mild gold rush to Horwood Lake, 11 miles southwest of Tionaga on the Canadian National Railway and about 30 miles north of Swayze township in Ontario.

Staking in the field is said to have first been made about seven years ago and the group of claims later optioned to Nipissing Mines, which did sufficient work to enable 27 claims to be patented.

At the Mines

Anglo-Canadian Explorers—The annual report of this English corporation interested in Canadian mines, shows its portfolio as including 530,431 shares in Central Manitoba Mines. Formerly the company held 100,000 shares of Kirkland Townsite Mines which have been disposed of since the date of the balance sheet.

* * *

Bagamac Rouyn Mines—An option on the remaining 1,280,000 treasury shares has been given and further funds for development work are to be provided. Vendor stock involving 1,700,000 shares has been pooled during the life of the option.

* * *

Bidgood Kirkland Mines—With the resignation of F. A. Pollard as president and F. J. Pollard as director, the head office has been removed to Wentworth Arms, 32 Main Street East, Hamilton. S. H. Whitfield, vice-president, is now chief executive of the company.

* * *

B. R. X. Mines—According to a report from the property in the Bridge River area of British Columbia, this company has just intersected a nine ft. vein in its diamond-drilling programme. This vein was encountered 400 ft. below the present working level or at a total depth of approximately 750 ft. Where cut the vein was heavily mineralized and carrying much free gold.

* * *

Chibougamau Prospectors—A diamond drilling contract has been let to the Alexander Diamond Drilling Co.

* * *

Lebel Lode Ltd.—A block of 250,000 common shares has been underwritten by the Guardian National Corp. of Buffalo, according to the Federal Trade Commission report. The aggregate price of the underwriting is $125,000 or 50 cents per share average price.

* * *

Marbuan Gold Mines — A second hearing in a Securities Act matter is scheduled for January 12, before the Federal Trade Commission, at Washington, D.C., where the company has made application for the sale of its securities in the United States.

* * *

Parkhill Gold Mines—Dr. Chas. A. Peters, of Montreal, was made a director at the recent annual meeting to succeed George Glendinning, of Toronto. This makes all of the directors of the company residents of Montreal.

* * *

St. Anthony Gold Mines.—Diamond drill hole, located 400 ft. north of the shaft, encountered an ore zone at a depth of 90 ft. assaying $16.20 per ton in gold across a core length of 42 inches.

* * *

South Tiblemont Gold Mines — Equipment has been put in place and shaft sinking was started toward an immediate objective of 250 ft.

* * *

Chibougamau Prospectors — At a shareholders meeting held in Montreal on January 2, the refinancing proposal submitted by A. H. McKay, of New York, was approved and Geo. C. Lewis and Chas. M. Barnett, both of New York, were added to the board of directors.

* * *

Siscoe Gold Mines—The 169,935 unsold shares shown in the treasury on December 31, 1932, still remain in the treasury The Financial Post is officially advised.

KEEPS LAKE SHORE NOW IT KEEPS HIM

Rural Merchant Has Life of Luxury on Forgotten Tip

"I kept my Lake Shore, now it keeps me," a former Greys county merchant told a Toronto broker recently.

Ten years ago when this broker started in business the home town merchant came in and sought his advice on mining investments. The broker, thinking his client had only a few dollars to invest, advised Lake Shore, at that time selling at $3 per share. It so happened that the merchant had a $15,000 mortgage falling due then and he put it all into 5,000 shares of Lake Shore. The incident was forgotten by the broker until recently when the merchant told the broker, "I still have my Lake Shore."

"What Lake Shore do you mean?"

"That which you advised me to buy ten years ago."

"Fine. What are you doing now?" the broker enquired.

"Oh, for several years I have been spending my winters in Florida or abroad and my summers in Canada."

"How much did you buy," the broker asked.

"Five thousand shares," was the reply. This gives him an annual income of $15,000, or a return of his capital every year.

Yukon Con. Gold Corp. Recoveries $642,405

Shareholders of Yukon Consolidated Gold Corp. are in receipt of official advice stating the five dredges operating in the Klondike area of Northwest Territories in 1933 recovered gold to the value of $642,405 in Canadian funds as compared with $616,505 in 1932.

The report says that earnings have enabled the company to discharge a large amount of the accumulated liabilities inherited from the former regime, to keep the dredges fully employed and now to make possible considerable repair work long overdue.

During the last year boring, sampling and stripping of promising sections of the company's property were initiated and plans call for bringing new areas into production just as soon as the ground can be prepared and the necessary equipment provided.

On June 23 last, the company secured judgment against A. N. C. Treadgold, former president of the company, for maladministration of the company prior to 1931. Treadgold has now given notice of appeal against this judgment, but the date of the hearing has not been fixed.

RENO GOLD MINES ORE OUTLOOK GOOD

Work on 600-ft. Level is Viewed as Distinctly Encouraging

Development work at Reno Gold Mines in the Sheep Creek area of British Columbia is showing steady progress according to the latest report issued by I. M. Marshall, manager of the property. On the 600-ft. level, the deepest in the mine, the total ore length last reported was 207 ft., averaging 3.3 ft. in width. The west face on this horizon continues in good grade of ore. It is expected that the ore shoot will correspond in shape and outline with the one on the level above with one marked difference, that there is no split similar to that which occurs between the 512 and 515 stope and that the ore on the lower level is appreciably wider.

The report states that the new crushing unit is operating satisfactorily and that the ball mill is treating from 10 to 15 tons more than previously, or approximately 115 tons daily. It is also understood that the ore is opening up in a most satisfactory way, and this, together with favorable improvement in grade, is prompting consideration to increasing the milling rate.

The mine enjoys cautious and careful management, but it is known that the recent developments are regarded as so satisfactory that dividends are imminent.

Otoskwin River Power For Pickel-Crow Area

The prospect of development of hydro-electric power for the Hammell and Ceneral Patricia properties in the Pickel-Crow River area of Ontario, becomes more encouraging with the recent survey of the Otoskwin River, 12 miles north of the Hammell operations.

The Hydro-Electric Power Commission of Ontario has been making a study of the possible water-power development on the Albany River, some 25 miles from the Hammell property. Inasmuch as this property is in the development stage with a 200-ton mill planned for next year, while the Central Patricia property expects to have its mill going next month, the power demands for both operations are not large. Therefore, costly transmission lines might defeat the projects.

An aerial survey of the Otoskwin River indicates a drainage area of some 1,500 miles with an economical site for power development at a narrows which is estimated to give some 1,000 h.p. and would be adequate for at least initial requirements of the mining properties in the area.

No definite move has been made by the Hydro but a check-up on the flow is expected and a more thorough study of the possibilities is to be given.

B. C. Mineral Production Estimated at $29,000,000

Correcting earlier figures, the final estimate for the mineral production of British Columbia in 1933 is now given at $29,000,000 as compared with $26,767,522 in 1932. The chief advance has been in the production of gold, which is valued in Canadian funds at approximately $6,500,0000.

In base metals, the lead production is estimated at 130,000 tons; zinc at 75,000 tons and copper at 21,000 tons.

Index to Mining Shares

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 106.9 for the week ending January 4, as compared with 105.0 for the previous week.

Eleven gold stocks rose from 100.1 to 102.8, four gold-copper stocks remained unchanged at 134.0, and five silver and miscellaneous stocks rose from 39.6 to 40.0.

Canada's Petroleum Production

Production of crude petroleum in Canada during October amounted to 107,045 barrels as against 97,342 barrels in September and 78,845 barrels in October 1932. During the ten months ending October the Canadian output totalled 935,757 barrels; in the corresponding period of 1932 the production was 896,425 barrels. Alberta wells produced 94,526 barrels, consisting of 90,189 barrels of crude naphtha and 1,941 barrels of light crude oil from the Turner Valley field, 2,047 barrels from the Red Coulee field and 369 barrels from the Wainwright field.

Metal Prices

New York—January 9—
Copper: Electrolytic spot and future, 8¼c.
Silver: 43⅝c.

London—January 9—
(Long Ton)—
Copper: Electrolytic spot, £34 15s; future, £35 5s.
Standard spot, £31 7s 6d; future, £31 12s 6d.
Tin: Spot, £224 12s 6d; future £224 17s 6d.
Lead: Spot, £10 17s 6d; future, £11 5s.
Zinc: Spot, £14 5s; future, £14 12s 6d.
Silver: 19 1/16d. per ounce.
Gold: 126s 8½d.

Canada—January 9—
Gold: $32.32.

Nova Scotia Gold

We invite enquiries about the Nova Scotia Gold Field

Some attractive properties are listed with us for sale or development. We buy and sell mining properties and authentic information is available through us.

Mutual Investments Limited

Roy Bldg., Halifax
NOVA SCOTIA, CANADA

N. C. URQUHART & CO.

STOCK BROKERS

Members Standard Stock and Mining Exchange

15 King Street West Toronto, Ont.

Adel. 6028

McMILLAN VALUES BETTER AT DEPTH

Drifting on 625-ft. Level in Ore Reported to Show $9 Value

Face and roof samples along the 128 ft. drift on the 625 ft. or lowest workings, at the McMillan Gold Mines, west of Sudbury, show an average value of better than $9 per ton for an average width of between eight and nine ft.

The new work on this level recently encountered the main vein developed on the level above and out of the 128 ft. of drifting, ore of the above average grade has been found.

The preliminary work on the lowest level indicates a marked improvement in the width and grade of ore over that on the 525-ft. level. The drifting on the 625-ft. level is now approaching a section below the 525-ft. level where the ore averaged $9.06 for 220 ft., while 350 ft. in advance of the present work, the ore on the 525-ft. level assayed $10 across 6½ ft.

Dunwell Mine to Re-open Crew Leaves For Property

From Our Own Correspondent

VICTORIA.—The Dunwell Mine in the Portland Canal district will commence operations immediately and a crew of men left Victoria for the property recently, it was announced by the management. With the small crew of leasers already on the property and who will automatically become employees of the company, work will be started on the various faces where good mill grade ore is already uncovered.

As soon as the ball mill sold to the Bralorne Mine some three years ago has been replaced the mill will start to grind at the rate of 25 tons a day and will be stepped up higher levels as work continues.

During 1933, leasers were working the property and in the period between January and August 478 tons shipped to the smelter gave net returns of $13,292. The average amounts received for these shipments were $25 an ounce for gold and 35 cents an ounce for silver.

Nova Scotia Gold

Improved mining and milling equipment, **combined with low cost electric power,** make it economically possible to restore the Gold Mining Industry of this Province.

Large territory now open to the prospector. 63 districts contain gold-bearing lode deposits.

Several large low-grade ore bodies due to GOLD being **worth around $32,** as against the old price of $20.67 per ounce, can now be mined at a profit.

Nova Scotia's gold fields are very accessible. Material and labour costs are low.

A Branch of the Mines Department deals exclusively with Gold Mining.

Hon. Michael Dwyer
Minister of Public Works and Mines
HALIFAX, N.S.

Figures for the whole period of the year up to December 16 are: 1932, 2,110 and 1933, 1,460, a decrease of 660 or 31 per cent.

NORTHERN CANADA MINING CORPORATION, LIMITED

Invests in Canadian Mines and Mining Properties

J. B. TYRRELL,
President and Managing Director,
Room 930, 25 King Street West,
TORONTO, CANADA

HOLLINGER

Write us for opinion on this company.

J.E. Grasett & Co.
MEMBERS
Standard Stock & Mining Exchange
302 Bay St. Wa. 1633 Toronto
Branch Office
Keele & Dundas Sts.
Junction 1167.

ENID-JULIE MINES Limited

(N.P.L.)

A development of unusual interest, with outstanding possibilities, situated at Phillips Arm, 125 miles north of Vancouver. Active development being carried on throughout the winter months. The Enid-Julie is

A Gold Property of Unusual Merit

within 4,000 feet from tidewater. Cheap water transportation makes Enid-Julie both economical and attractive.

Low Capitalization—Careful Management

Authorized capital—$750,000, divided into 1,500,000 shares, par value 50c. each.

Issued—852,005 shares. Remaining in Treasury—647,995 shares.

Write for full information, or consult your broker. 617-19 Vancouver Block, Vancouver, B. C.

MINING FACTS

THE FINANCIAL POST SURVEY OF MINES 1933-4 is the only complete record of mining activity in Canada available in permanent form. It is a vivid compilation of facts relating not only to the industry in a broad sense, but to the various companies that together form that industry.

It is a reference volume for everyone interested in the great and growing mining industry, whether as an operator, mine executive, financier or investor.

216 Pages, 12" x 9". $2.00.

Only a Few Copies Left.

Although this edition of the Survey of Mines has been off the press less than two months, the sales have so far exceeded anticipations that only a few copies are now left. To avoid disappointment, SEND IN YOUR ORDER NOW.

THE FINANCIAL POST,
481 University Ave., Toronto.

I enclose $2.00. Please send me postpaid a copy of The Financial Post Survey of Mines, 1933-4.

Name ....

Address 419

UNITED KIRKLAND GOLD MINES LIMITED

(No Personal Liability)

NOTICE

Macassa Mines Limited (No Personal Liability) have offered all shareholders of United Kirkland Gold Mines Limited the privilege of exchanging ten United Kirkland shares for one Macassa share, such offer to be open for acceptance until January 31st, 1934.

We believe that there are many persons holding certificates for United Kirkland shares registered in "street" names and this notice is published so that such persons may have knowledge of the offer which has been made by Macassa Mines Limited.

The Directors of United Kirkland Gold Mines Limited have no hesitation in recommending that the shareholders should accept the offer which has been made by the Macassa Company as we are of the opinion that it would be in the best interests of the shareholders so to do.

Shareholders should deposit their United Kirkland certificates at the office of The Trusts and Guarantee Company Limited, 302 Bay Street, Toronto, for exchange. Copies of a circular letter embodying the offer of the Macassa Company to the shareholders of this Company may be obtained at the office of the said Trust Company or at Room 1001, Federal Building, Toronto.

UNITED KIRKLAND GOLD MINES, LIMITED
(No Personal Liability)
E. R. READ, President

Toronto,
January 8th, 1934.